COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

THE TOWN OF FLOWER MOUND TEXAS

Town of Flower Mound, Texas

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2019

Town Manager
Jimmy Stathatos

Deputy Town Manager/CFO
Debra L. Wallace

Prepared By:

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Payroll Technician

THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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THE TOWN OF
FLOWER MOUND
TEXAS

March 2, 2020

To the Honorable Mayor, Members of the Town Council, and Citizens of the
Town of Flower Mound, Texas:

It is with great pleasure we present to you a copy of the Comprehensive Annual Financial Report (CAFR) of the Town of Flower Mound for the fiscal year ended September 30, 2019. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the end results of the operation of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed "of the books and accounts of each and every department of the Town." The Town has complied with this requirement, and the opinion of the auditing firm of Pattillo, Brown, & Hill, L.L.P., Certified Public Accountants, is included as part of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

General Information – The Town of Flower Mound, Texas

The Town of Flower Mound, incorporated in 1961, is located primarily in southern Denton County, approximately 28 miles northwest of downtown Dallas, 25 miles northeast of Fort Worth, 12 miles south of Denton and three miles north of Dallas-Fort Worth International Airport (DFW Airport). A small area located at the southern boundary falls in Tarrant County, as well. The Town's corporate boundary encompasses approximately 46 square miles and serves a population of 76,030. Flower Mound is a master-planned community with an emphasis on SMARTGrowth development, intended to preserve community character.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD), with the Argyle, Denton, and Northwest School Districts also providing educational services for smaller areas of the Town. LISD encompasses more than 127 square miles and serves 13 communities in North Texas. There are 21 LISD schools located in Flower Mound: 2 high schools, 2 9th grade campuses, 5 middle schools, and 12 elementary schools. Most of these campuses are rated 'Exemplary' or 'Recognized' by the State of Texas.

The Town of Flower Mound Home Rule Charter was adopted November 3, 1981 by a vote of the citizens. The Town operates under a council-manager form of government and provides a full range of services, as authorized by its Charter, including: Police Services, Fire and Emergency Services, Development Services, Parks and Recreation Services, Library Services, Environmental Services, Administrative Services, Legislative Services, Financial Services, and Public Works.

The Town Charter requires that the Town Manager submit a proposed budget to the Town Council by August 1 each year, for the fiscal year beginning October 1. Prior to August 1, the Town Manager and Town department heads prepare expenditure estimates for the remainder of the current year and the upcoming fiscal year. These totals are compared to estimates of revenue for the same referenced period. Adjustments are made to expenditure estimates, as necessary, to ensure that the proposed budget balances total expected revenues. A new budget must be adopted by September 30 or the amounts appropriated for the current fiscal year will be adopted for the ensuing year on a month-to-month basis, until a final budget is formally adopted. Following the adoption of a budget, the Town Manager and Town department heads monitor expenditures and revenues throughout the fiscal year in an effort to ensure that the integrity of the budget will be maintained. Monthly revenue and expenditure reports are produced by the Town's automated budgetary accounting system and reflect monthly and year-to-date totals for each source of revenue and expenditure.

Local Economy

More than 1,325 businesses call Flower Mound home and provide a balanced mix of retailers, restaurants, office, and manufacturing/distribution facilities. Flower Mound’s unemployment rate as of October 2019 was 2.6 percent, compared to a 3.4 percent rate for Texas and 3.6 percent nationally for the same month. Economic conditions in Flower Mound have been greatly influenced by its close proximity to two major airports: Dallas/Fort Worth International Airport located three miles south of the Town, and Alliance Airport located five miles to the southwest. DFW International Airport has more than 75 million passengers per year and is known as the economic engine of the North Central Texas region. The airport makes an economic impact of $37 billion across north Texas, with 228,000 full-time jobs.

Transportation

Flower Mound has two major arterials; FM 1171 (Cross Timbers Road) and FM 2499 (Long Prairie Road). FM 1171 runs east to west through Flower Mound, connecting to Interstate-35E and Interstate-35W. I-35 is a NAFTA-recognized highway, routing transportation and freight between Mexico and Canada through the U.S. The major north-south thoroughfare in the Town is FM 2499. Both roadways provide quick access to several major highways, providing excellent transportation access to the Dallas/Fort Worth Metroplex.

The Texas Department of Transportation (TxDOT) started work in 2018 on the next phase of the DFW Connector Project which includes direct connections between FM 2499 and I 635, SH 114 and SH 121; and a new I 635 interchange. The new I 635/SH 121 interchange is a part of the Texas Clear Lanes Initiative provide by Governor Abbot and the Texas Legislature to reduce gridlock in some of the state’s most congested area. The project is now well underway and expected to be complete by 2021.

Medical-Related Development

Flower Mound has benefitted from a healthy and steady medical and healthcare sector which offers many widely-needed services to the Town and to Denton County. Texas Health Presbyterian Hospital Flower Mound opened in 2010 in the central, mixed-use development The River Walk at Central Park. In December of 2015, the hospital completed construction of a 19,000-sq. ft. expansion which included 4 new operating rooms and 28 prep and recovery beds. A 3,275 sq. ft. Women's Imaging Center expansion opened in November 2014, which provides some of the most technologically-advanced 3-D breast cancer screening options available in North Texas and is a major driver of women's healthcare technology within the State. In April of 2017, Healthgrades awarded the honor of Top Hospitals for Patient Experience to the facility. Recently, additional surgical observation training rooms were constructed and an additional 150-space parking lot was also completed, which will allow the award winning employer to continue to provide outstanding care to the community.

The Town of Flower Mound added 18 new medical-related businesses in both 2018 and 2019. Flower Mound's medical sector continues to be a growing portion of the Town's new business. These businesses are dedicated to a variety of medical uses, including counseling services, speech therapy, vision, sleep disorders, overall health and wellness, pediatrics, chiropractic, obstetrics, dental, and alternative medicines.

Commercial Development

Great care was taken to develop the southeastern portion of Flower Mound into a thriving commercial business district, taking advantage of the 3-mile proximity to DFW International Airport and major infrastructure. The Town of Flower Mound invested $25 million in public improvements into the Lakeside Business District, including water and sewer extensions and new road construction. The District ended 2019 with an occupancy rate of 93.3%, a slight increase from recent quarters, due in large part to the addition of approximately 834,000 sq. ft. of new space which came on line in 2019. The previously extremely low vacancy rate in the 99% range created demand for new construction, which is being met by the recent deliveries of new space and the expected additional deliveries in 2020. This year's additional space is expected to measure approximately 189,000 sq. ft., with some of that space already leased.

The Lakeside Business District has 10 business centers within its boundaries: Cornerstone, Corporate Ridge, Flower Mound Business Park, Lakeside Commerce Center, Lakeside DFW, Lakeside International, Lakeside Ranch Business Park, Lakeside Trade Center, Parkview Commerce Center, and Southgate at Flower Mound. Several notable developers, including Crow Holdings, Duke Realty, EastGroup Properties, Exeter Property Group, Hillwood, Huntington Industrial, and others have already invested in Flower Mound.

More than 100 businesses currently operate in the district, and the past year has seen some major developments and new additions worth note, including:

PPG Paints – PPG Paints began operations this past summer in approximately 450,000 sq. ft. of Duke Realty's recently completed 635,000 sq. ft. building. This $25 million project is the new home to PPG Architectural Finishes regional operations center, employing approx. 150 individuals. The Town has recently been informed that the remaining 165,000 sq. ft. of available space has been leased, but a formal announcement has not yet been made indicating the name of the company. The Town's central and accessible location significantly contributed to bringing PPG to the Town.

Another highly anticipated opening occurred this past year, when **Thirty-One Gifts** sent out their first shipment of products from their recently renovated Flower Mound distribution facility mid-summer 2019. The company relocated their distribution facility from Columbus, Ohio to Flower Mound, occupying the full 651,000 sq. ft. facility at 951 S Garden Ridge. Originally estimated to employ approx. 650 employees, the facility now employs over 900 individuals, making the company one of the Town's largest private employers.

Ceutical Labs, Inc. relocated their Analytical Testing Division this past year from nearby Farmers' Branch to Flower Mound. The company specializes in pharmaceutical/medical device development, food and cosmetic testing, and a wide array of lab testing. The company occupies approximately 45,000 sq. ft. in Lakeside Commerce Ctr. II of the Lakeside Business District, with approximately 18,000 sq. ft. being general and analytical lab space. Approximately 50 individuals are employed at the facility.

FFF Enterprises, Inc. also relocated to Flower Mound this past year, occupying over 72,000 sq. ft. Since 1988, FFF Enterprises has been recognized as the nation's leading supplier of critical-care biopharmaceuticals, plasma products and vaccines. They serve more than 80% of the U.S. Hospitals, and they offer emergency ordering 24/7.

This past year marked a milestone for the Town's corporate office market, when Realty Capital broke ground on an approximately $32 million development in the Lakeside Business District, known as **Lakeside International Office Center**. There will be two office buildings on the site, a four story-120,000 sq., ft. building and two story-18,500 sq. ft. building. Both buildings will be served by surface and structured parking. **IntelliCentrics,** an existing Flower Mound healthcare company that has the largest trusted healthcare technology

platform, has already signed a lease for the top floor of one of the buildings. The site will contain a trail system that will connect patrons to the nearby Shops at Lakeside. Construction is underway for the entire project.

In addition to the south end, Flower Mound has designated approximately 1,500 acres in the west end of Town for mixed-use residential and commercial development. The Denton Creek District is located along I-35W, U.S. 377 and FM 1171. The Denton Creek District emphasizes high quality, regional commercial and industrial development, as well as mixed office, retail, and residential uses. The Town of Flower Mound has been working to provide water and wastewater infrastructure to this area.

Progress also continues to be made on the Canyon Falls development to the far west side of Flower Mound. Canyon Falls is a 1,242-acre master-planned community within the Denton Creek District, located in Flower Mound, Northlake, and Argyle. Approximately 626 acres of the development are in Flower Mound. Tentative plans for the project include different village types based on the natural features prominent in that area. Commercial and retail space will be available toward the west and northwest part of the property near Interstate 35W.

Commercial Permit Activity

In 2019, 70 new commercial permits were issued representing approximately $147,248,975 in value, an increase of 35 in 2018. Notable commercial permits throughout the year included: Global Net Logistics, NEM Senior Living Facility, Wish Rocket, Naterra International, PPG Industries, Stryker (Expansion), FFF Enterprises, Mainfreight (Renovation), Alexan at The Point (Multi-family), Tru by Hilton Hotel, Ceutical Labs, Four40 Events Center, Lakeside Corporate Center (large-scale Class A speculative Office), and more.

The River Walk at Central Park – Central Business District. The River Walk at Central Park is a 158-acre mixed-use development that integrates commercial, office, retail, restaurant, medical, and residential uses in a variety of building types. Easily accessible from any part of the DFW Metroplex, The River Walk at Central Park is anchored by Texas Health Presbyterian Hospital Flower Mound and located along the major north/south development corridor in Town.

The River Walk will offer walkable shopping, dining, art, entertainment, and more along a majestic flowing river. A restaurant row will feature unique and varied dining options, all with a shared patio right on the waterfront. In 2014, highly-requested restaurants La Madeline and Luna Grill were added to the nearby River Walk Market, which includes medical office, Texas Health Presbyterian Hospital Flower Mound, MarketStreet, and more. Residential offerings in the development have continued completion over the past year and have experienced significant demand; pre-leasing quickly and receiving stellar reviews.

Amenities completed within The River Walk at Central Park include sidewalks and pedestrian bridges, lighted waterfalls, a 100-foot water wall, shade structures, public art, a stone and iron

clock tower, pavilion, and more. The Restaurant Row buildings, reception hall and the chapel, are all nearing completion, with the first wedding expected to occur in the next couple of months. Additionally, late 2019, building permits were issued for the Primo's Tex-Mex Kitchen & Lounge and Scout restaurants, which will operate within Restaurant Row. A third restaurant permit for Tillman's, is still under review by the Town. The next phase of the development includes a 2,800-seat amphitheater, covered farmer's market, and splash pad.

Additionally, Centurion American, the master developer, made significant progress on the retail and office buildings, with tenants Orange Theory, Aria Nail Bar, and Merrill Lynch all now open. River Walk Dental and Mac & Z Playhouse and Café will also be locating within the River Walk's retail/office space.

The Town's first hotel, a Courtyard by Marriott, recently celebrated their two-year anniversary. Located at the north end of the River Walk development, the five-story, 146 room, upscale hotel features more than 6,000-sq. ft. in meeting and conference space, an upscale restaurant and bar, outdoor fire pits, balconies overlooking the river and amphitheater, and many high-end finishes to ensure a luxurious experience for guests. A public parking structure sits alongside the hotel, offering guests and visitors immediate access to the River Walk's future amenities.

A second hotel, Home2Suites hotel purchased land within the River Walk development and has started ground work to construct the almost 70,000 sq. ft. hotel, to include 100 rooms (with a small dining area, exercise room, pool and small meeting area). The building will also offer a small retail space from which a separate retailer may operate.

Lakeside DFW. Success of the $1 billion, 150-acre, mixed-use development continues, while construction of the development draws to a close. Last year brought continued activity in the thriving mixed-use development, with the opening of both Burgerim and Craft Pies. The 27 retailers and restaurants now operating at Lakeside DFW offer a wide variety of dining, entertainment, and shopping options, creating a modern and vibrant area. Late 2019 brought the closure of Carvao Prime Brazilian Steakhouse, immediately followed by the announcement that well-known restauranteurs Marty Bryan (of Marty B's) and Alan Mann will open 1845 Taste Texas will backfill the space with an authentic Texas style eatery. The completion of Lakeside DFW will pave the way for developer, Realty Capital, to embarked upon another endeavor, as they work to break ground on **Lakeside Village**, located immediately south of the existing Lakeside DFW. This approx. 33-acre mixed use development on the north shore of Grapevine Lake, will bring new residences of every kind, office,

hotel, retail, and restaurant uses, as well as an amphitheater, community greens and trails. This environment will be unique to the Metroplex, attracting patrons from well beyond our borders. For example, the proposed seven restaurant sites will be located on elevated terrain on the southernmost tip of the property, offering breathtaking views of Grapevine Lake. Lakeside Village will offer so many amenities to its residents and visitors, but with an estimated build out value of over $1 billion, the economic impact is far reaching.

Retail Development

In 2019, the Town of Flower Mound welcomed 9 new retail businesses and 11 new restaurants to the local business community. With moderate population growth, an average household income of $170,162, and several residential developments under construction or planned for the future, Flower Mound is an ideal location for business. More than 335 retailers and restaurants already call Flower Mound home.

Based on the Town's desire to attract new quality retailers and restaurants, the Flower Mound Economic Development Office conducted a survey in late 2017 and is making preparations to conduct the 2020 survey, which indicates resident shopping and dining preferences. The information resulting from the survey is used by staff when in attendance at retailer trade shows and conferences to target uses that align with the Flower Mound and North Texas markets and appeals to residents.

Tax Increment Reinvestment Zone (TIRZ #1)

TIRZ #1 encompasses approximately 1,465 acres located along FM 2499, one-half mile south of FM 1171 and north to FM 407. The estimated revenue of the zone over its 20 year life is conservatively $62,600,000, representing an anticipated $43,383,000 from the Town and $19,217,000 from Denton County. The TIRZ #1 2019 Annual Report identified an ending balance of $13,245,032.

Employee Compensation.

The salary pay ranges in the Town's pay plans shall be reviewed annually with the objective to maintain all pay ranges at the 65th percentile of the market. The Town Council approved a three percent increase for all Town employees meeting performance standards in the FY 2019-2020 budget.

Long-term Financial Planning.

As part of the budgeting process, the Town develops a multi-year financial forecast. Over the past few years, the Town has seen steady residential and commercial growth which has allowed for balanced budgets that meet the needs of citizens, while maintaining a high level of reserves, as well. In November 2007, voters approved four, one-fourth-of-one-percent, dedicated sales tax votes for: park and recreation improvements, street maintenance, a Crime Control and Prevention District (CCPD), and a Fire Control, Prevention, and Emergency Medical Services District. The resulting increased sales tax rate went into effect on April 1, 2008. These dedicated sales tax funds have provided the Town with the needed resources to create two new police beats, build and staff two new fire stations, exceptionally maintain the Town's streets, and to improve and expand the Town's park system. The Town Charter requires a General Fund unreserved fund balance of at least 10%. In addition, the Financial Policies of the Town, adopted on September 17, 2018, require a balance of at least 20%. Between Fiscal Year 2014-2015 and Fiscal Year

2018-2019, the balance has ranged from a low of 27.61%, to a high of 32.12%. The General Fund reserve level at the 2019-2020 Fiscal Year-End is projected to be 20.00%.

Tax Rates.

All taxable property within the Town is subject to the assessment, levy and collection of a continuing, direct ad valorem tax sufficient to fund operation and maintenance costs in the Town's General Fund as approved by the Town Council, and provide payment of principal and interest on outstanding general obligation bonds.

The allocation of property tax levy by purpose (maintenance and operation vs. debt service) for Fiscal Year 2018-2019 and the preceding three years is reflected in the following table (amounts per $100 of assessed value):

Purpose	2018-2019	2017-2018	2016-2017	2015-2016
Maintenance & Operation	$.3465	$.3397	$.3377	$.3312
Debt Service	.0925	.0993	.1013	.1078
Total Tax Rate	$.4390	$.4390	$.4390	$.4390

Tax Appraisal/Collection Responsibilities.

Under Texas law enacted in 1979, and subsequent revisions to the Texas Property Tax Code, the appraised value of taxable property in Flower Mound is established by the Denton Central Appraisal District and the Tarrant Appraisal District. The Town of Flower Mound, and other taxing jurisdictions, provides a pro-rata share of the budgeted expenditures incurred by the Denton Central Appraisal District and the Tarrant Appraisal District each year. In Fiscal Year 2018-2019, the Town's payment for appraisal services was $286,661 to Denton Central Appraisal District, and $4,791 to Tarrant Appraisal District. The Town contracted with the Denton County Tax Office for the collection of ad valorem taxes for the year beginning October 1, 2018 and ending September 30, 2019. The Town paid $31,792 for these services.

Independent Audit.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed of “the books and accounts of each and every department of the Town”. The Town has complied with this requirement, and the independent auditor’s report has been included in this report.

Budgetary Control.

Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department and division.

Budget transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department. Amendments can be made to transfer funds which can change the total budget. Section 9.14 of the Town Charter provides Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department, and to re-estimate revenues and

expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Flower Mound, Texas for its comprehensive annual financial report for fiscal year ended September 30, 2018. The Town of Flower Mound, Texas has received a Certificate of Achievement for the last thirty-two consecutive years. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

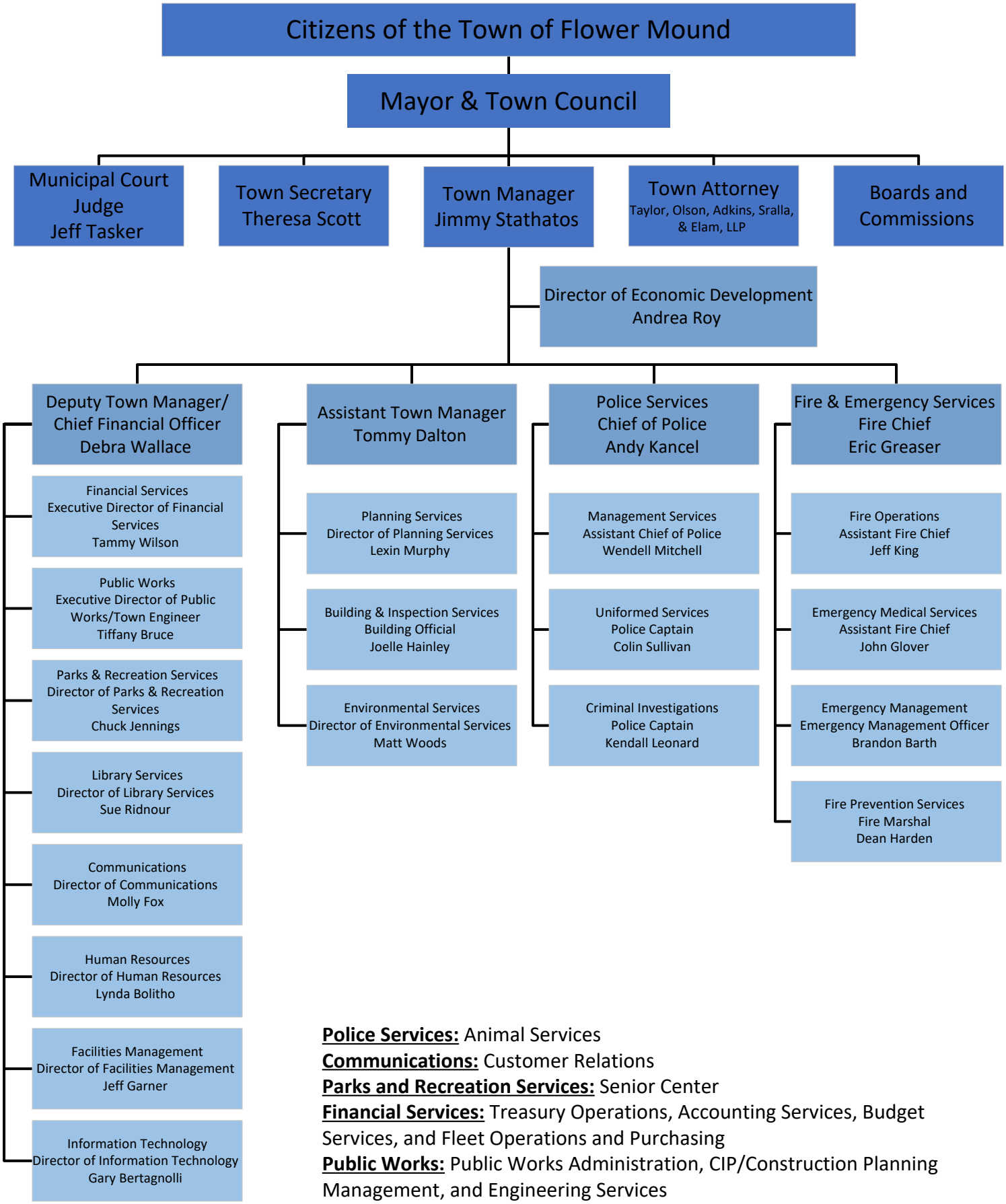
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. The administrative and finance staff also wish to commend and thank the Mayor and Town Council for their leadership and support in our combined efforts to provide a comprehensive program of municipal operations and services while remaining within a framework of sound financial planning, responsible fiscal control and progressive financial reporting.

Respectfully submitted,

Debra Wallace

Debra Wallace
Deputy Town Manager/CFO

Town of Flower Mound Organizational Chart


Citizens of the Town of Flower Mound
Mayor & Town Council
Municipal Court Judge Jeff Tasker
Town Secretary Theresa Scott
Town Manager Jimmy Stathatos
Town Attorney Taylor, Olson, Adkins, Sralla, & Elam, LLP
Boards and Commissions
Director of Economic Development Andrea Roy
Deputy Town Manager/ Chief Financial Officer Debra Wallace
Financial Services Executive Director of Financial Services Tammy Wilson
Public Works Executive Director of Public Works/Town Engineer Tiffany Bruce
Parks & Recreation Services Director of Parks & Recreation Services Chuck Jennings
Library Services Director of Library Services Sue Ridnour
Communications Director of Communications Molly Fox
Human Resources Director of Human Resources Lynda Bolitho
Facilities Management Director of Facilities Management Jeff Garner
Information Technology Director of Information Technology Gary Bertagnolli
Assistant Town Manager Tommy Dalton
Planning Services Director of Planning Services Lexin Murphy
Building & Inspection Services Building Official Joelle Hainley
Environmental Services Director of Environmental Services Matt Woods
Police Services Chief of Police Andy Kancel
Management Services Assistant Chief of Police Wendell Mitchell
Uniformed Services Police Captain Colin Sullivan
Criminal Investigations Police Captain Kendall Leonard
Fire & Emergency Services Fire Chief Eric Greaser
Fire Operations Assistant Fire Chief Jeff King
Emergency Medical Services Assistant Fire Chief John Glover
Emergency Management Emergency Management Officer Brandon Barth
Fire Prevention Services Fire Marshal Dean Harden

Police Services: Animal Services
Communications: Customer Relations
Parks and Recreation Services: Senior Center
Financial Services: Treasury Operations, Accounting Services, Budget Services, and Fleet Operations and Purchasing
Public Works: Public Works Administration, CIP/Construction Planning Management, and Engineering Services

Town of Flower Mound
PRINCIPAL OFFICIALS
September 30, 2019

TOWN OFFICIAL	ELECTIVE POSITION	TERM EXPIRES
Steve Dixon	Mayor	2021
Jim Pierson	Council Member, Place 1	2022
Sandeep Sharma	Mayor Pro Tem Council Member, Place 2	2020
Ben Bumgarner	Council Member, Place 3	2022
Jim Engel	Council Member, Place 4	2021
Claudio Forest	Deputy Mayor Pro Tem Council Member, Place 5	2020

ADMINISTRATIVE STAFF	ADDRESS	APPOINTIVE POSITION
Jimmy Stathatos	2121 Cross Timbers Road	Town Manager
Debra L. Wallace	2121 Cross Timbers Road	Deputy Town Manager/CFO
Tommy Dalton	2121 Cross Timbers Road	Assistant Town Manager
Theresa Scott	2121 Cross Timbers Road	Town Secretary
Andy Kancel	2121 Cross Timbers Road	Chief of Police
Eric Greaser	2121 Cross Timbers Road	Fire Chief
Tiffany Bruce	2121 Cross Timbers Road	Executive Director of Public Works
Tammy Wilson	2121 Cross Timbers Road	Executive Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Flower Mound

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Flower Mound, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Flower Mound, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Flower Mound, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, on our consideration of the Town of Flower Mound, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness if the Twin of Flower Mounds, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Flower Mound, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 28, 2020

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Management's Discussion and Analysis
September 30, 2019

The management of the Town of Flower Mound offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the Town of Flower Mound exceeded its liabilities at the close of the most recent fiscal year by $523,691,831. Of this amount, $47,260,259 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $36,101,077. The majority of this increase is attributable to development in both governmental funds and business-type activities. Net position also increased due to debt activity.
- As of September 30, 2019, the Town of Flower Mound's governmental funds reported combined ending fund balances of $94,015,770, an increase of $1,964,665 in comparison with the prior year. 17.73% of this total amount, $16,670,607, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $16,670,607, or 26.85% of total general fund expenditures.
- The Town of Flower Mound's bonded debt increased by $10,415,000 during the current fiscal year. The key factors in this increase were a net of debt payments in the amount of $16,085,000 and the issuance of $26,500,000 in certificates of obligation.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the Town is divided between two kinds of activities:

- **Governmental activities**. Most of the Town's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities**. The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Flower Mound can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Flower Mound maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other twenty–one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (a component of proprietary funds) is identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insurance fund and vehicle, equipment and technology replacement fund. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The Town of Flower Mound maintains an enterprise fund to account for water, sewer and drainage services provided to the Town's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's only fiduciary fund is the public improvement district debt service agency fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the Town's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The Town's combined net position is $523,691,831 as of September 30, 2019. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $176,099,061. This analysis focuses on the net position and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's net position:

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 121,685,710	$ 119,345,061	$ 71,463,479	$ 50,091,160	$ 193,149,189	$ 169,436,221
Capital assets	342,866,958	318,766,041	207,900,146	201,512,122	550,767,104	520,278,163
Total assets	464,552,668	438,111,102	279,363,625	251,603,282	743,916,293	689,714,384
Deferred outflows of resources	11,597,132	6,584,942	2,062,567	1,490,906	13,659,699	8,075,848
Long-term liabilities outstanding	115,831,206	108,116,421	101,062,210	83,133,597	216,893,416	191,250,018
Other liabilities	12,313,567	13,246,941	4,166,806	2,526,390	16,480,373	15,773,331
Total liabilities	128,144,773	121,363,362	105,229,016	85,659,987	233,373,789	207,023,349
Deferred Inflows of resources	412,257	2,773,919	98,115	402,210	510,372	3,176,129
Net investment in capital assets	274,850,281	271,744,498	159,402,047	145,749,885	434,252,328	417,494,383
Restricted	42,179,244	40,469,469	-	-	42,179,244	40,469,469
Unrestricted	30,563,245	8,344,796	16,697,014	21,282,106	47,260,259	29,626,902
Total net position	$ 347,592,770	$ 320,558,763	$ 176,099,061	$ 167,031,991	$ 523,691,831	$ 487,590,754

Governmental activities. The following table provides a summary of the Town's operations for the year ended September 30, 2019. Governmental activities increased the Town's net position by $27,034,007, accounting for 74.88% of the total increase in net position. The majority of governmental activities increase in net position is due to development activity in the Town, debt activity and controlling expenses.

Business-type activities. Business-type activities increased the Town's net position by $9,067,070, accounting for 25.12% of the total increase in net position. Business-type activities net position increased due to a utility rate increase and development activity in the Town.

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 10,039,853	$ 10,361,313	$ 42,418,217	$ 46,091,632	$ 52,458,070	$ 56,452,945
Operating grants and contributions	183,013	374,203	-	-	183,013	374,203
Capital grants and contributions	13,214,793	22,774,091	9,103,720	9,988,175	22,318,513	32,762,266
General revenues:						-
Property taxes	51,056,486	47,498,500	-	-	51,056,486	47,498,500
Sales taxes	25,286,435	24,282,172	-	-	25,286,435	24,282,172
Occupancy taxes	348,307	295,026	-	-	348,307	295,026
Other taxes	6,615,705	6,336,582	-	-	6,615,705	6,336,582
Unrestricted investment earnings	2,791,043	1,768,842	1,097,353	627,308	3,888,396	2,396,150
Miscellaneous	1,120,705	967,743	390,020	369,510	1,510,725	1,337,253
Total revenues	110,656,340	114,658,472	53,009,310	57,076,625	163,665,650	171,735,097
Expenses:						
Town manager's office	3,273,180	3,201,156	-	-	3,273,180	3,201,156
Legislative services	524,126	1,041,158	-	-	524,126	1,041,158
Development services	1,983,306	3,056,531	-	-	1,983,306	3,056,531
Community services	12,344,192	6,743,384	-	-	12,344,192	6,743,384
Library services	1,896,889	-	-	-	1,896,889	-
Police services	18,964,282	17,070,265	-	-	18,964,282	17,070,265
Financial services	4,000,678	2,584,378	-	-	4,000,678	2,584,378
Administrative services	6,038,018	5,870,601	-	-	6,038,018	5,870,601
Fire and emergency services	20,916,756	16,762,366	-	-	20,916,756	16,762,366
Communications	806,512	736,150	-	-	806,512	736,150
Public works	10,155,359	16,572,455	-	-	10,155,359	16,572,455
Environmental services	1,487,918	1,515,323	-	-	1,487,918	1,515,323
Debt Service	2,449,547	2,510,411	-	-	2,449,547	2,510,411
Utilities	-	-	42,723,810	43,265,124	42,723,810	43,265,124
Total expenses	84,840,763	77,664,178	42,723,810	43,265,124	127,564,573	120,929,302
Increase (decrease) in net position before transfers	25,815,577	36,994,294	10,285,500	13,811,501	36,101,077	50,805,795
Transfers	1,218,430	2,009,653	(1,218,430)	(2,009,653)	-	-
Increase (decrease) in net position	27,034,007	39,003,947	9,067,070	11,801,848	36,101,077	50,805,795
Net position - 10/01	320,558,763	283,470,013	167,031,991	155,540,076	487,590,754	439,010,089
Prior period adjustment	-	(1,915,197)	-	(309,933)	-	(2,225,130)
Net position - 09/30	$ 347,592,770	$ 320,558,763	$ 176,099,061	$ 167,031,991	$ 523,691,831	$ 487,590,754

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $94,015,770, an increase of $1,964,665 in comparison with the prior year. Approximately $16,670,607 or 17.73% of the total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. Committed fund balance totals $10,432,496 or 11.10%, meaning that the Town by formal action has determined what this amount will be spent on.

Fund balance of $62,512,244 or 66.49% is restricted to indicate that it is not available for new spending. The Town also has prepaid items of $83,894 or 0.09% and inventory of $571,450 or 0.61% which are classified as nonspendable fund balance. The remaining $3,745,079 or 3.98% is assigned, meaning that it will be used in the next budget year for one-time expenditures.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $16,670,607, while total fund balance was $21,471,030. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.85 percent of total general fund expenditures, while total fund balance represents 34.58 percent of that same amount.

The fund balance of the Town's general fund increased by $2,526,816 during the current fiscal year.

Key factors are as follows:

- Property tax revenue increase from the previous year of $2,817,420.
- Sales tax revenue increase from the previous year of $496,003.
- Expenditures also increased due to several one-time purchases.

Property tax revenue is higher due to increased assessed values and development activity. Sales tax revenue is higher due to the increase in restaurants and retail establishments.

The debt service fund has a total fund balance of $1,432,865, an increase of $156,958.

The fund balance of the Town's capital projects fund decreased by $2,807,384 during the current fiscal year.

Other governmental funds have a total fund balance of $36,236,496, an increase of $2,088,275. The Park Development Fund increased due to development activity. The Street Maintenance and Parks 4B Fund increased due to sales tax. The TIRZ and the Tree Preservation fund decreased due to capital projects.

Proprietary funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Fund totaled $176,113,463 at the end of the fiscal year 2019, an increase of $8,344,767 or 4.97 percent. Included in net position is $159,402,047 net investment in capital assets. The remaining net position balance of $16,711,416 consists of unrestricted net position. In the current fiscal year, total operating revenues are $42,808,237 while operating expenses are $40,584,957. Revenue decreased due to increased rainfall in the fiscal year. Expenses increased due to the purchase of wholesale water and capital project activity.

General Fund Budgetary Highlights

During fiscal year 2018-2019, the Town Council of the Town of Flower Mound amended the budget for the General Fund two times. The original expenditure budget was amended to increase the budget by $808,386.

The budget was increased by $62,500 for economic development incentives. Additionally, the Financial Services budget was increased by $72,800 for the Home Improvement Incentive Program. The Police Services budget was increased by $258,450 for an additional Sergeant position in the schools, an increase in racial profiling audit and a new K-9. The Legislative Services budget was increased by $5,200 to fund the voter approved stipend for the Mayor and Town Council, which began in June 2019. The Facilities budget was increased by $150,000 to account for projects that weren't completed during the prior year, such as a fitness floor screening border for the Community Activity Center, furniture for the expanded administration are and replacement of the emergency generator at Central Fire Station, installation of a washer/extractor and dryer at Fire Station 2 and renovation of the community room at Fire Station 3. The Technology Services budget was increased by $75,000 to upgrade the Trakit Software, this was originally budgeted in FY 17-18. The Parks and Recreation budget increased by $17,765 due to a donation from the SIMs Advisory board to purchase an oven for the Senior Center and to supplement cost of the new sound system at the Senior Center. The Parks and Recreation Services budget also increased by $55,500 for additional funding for the senior program and the Tennis program. The remaining $111,171 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2018.

The revenue budget was increased with amendments by $180,534. The Town received two donations from the SIMs Advisory Board totaling $17,765 to purchase an oven for the Senior Center and to cover the additional cost of the new sound system for the Senior Center. Additionally, intergovernmental revenue was increased by $88,104 to account for the additional Sergeant in LISD schools. Revenues also increased by $61,355 due to enhancements in the tennis program and $13,310 for the senior's programs.

Staff reviewed each supplemental appropriation throughout the year and determined that reserves were sufficient to recommend their increase.

The original budget reflected the Town would decrease fund balance by $2,154,215. The fund balance for the general fund increased in the amount of $2,526,816 during the fiscal year.

For fiscal year 2018-2019, actual expenditures on a budgetary basis were $63,140,287 compared to the original budget of $65,825,912. This was a positive $2,685,625 variance. Actual revenue on a budgetary basis was $65,206,482 compared to the original budget of $64,264,349. This was a positive variance of $942,133.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounted to $550,767,104 (net of accumulated depreciation). This investment in capital assets includes land, building, park facilities, roads, bridges and water and sewer lines.

Major capital asset events during the current fiscal year included the following:

Description	Amount
Fire Station # 7 & Apparatus	$ 3,016,030
Waketon Road	2,261,665
Town Hall	2,167,123
Library Expansion	2,054,772
Morriss Road Reconstruction	1,818,939
Storage Warehouse	1,390,925
Wastewater Treatment Plant Ultraviolet System	1,333,517
Police & Courts Facility Upgrades	1,213,962
Fire Station No. 1 Facility Upgrades	1,166,443
Bakers Branch Collector Phase II	1,152,895
Lift Station Improvements and Decommissioning	1,084,871
High Road Water Line Replacement Phase I	970,945
Lake Forest Bridge & Water Line	765,759
Rippy Road	764,088
Heritage Park of Flower Mound Phase IV	742,289
Yucca Drive Reconstruction	713,244
Skillern Road	619,624
Morriss Road Water Line Phase I	536,695
Morriss/Gerault Improvements Ph II	503,896
Firewheel Drive (4 lane gap, 340 ft N Garden Rd)	469,708
Bakersfield Park Restroom & Concrete Walkway	467,507
2018-19 Playground Replacements	455,362
Pintail Pump Station Auxiliary Power & Upgrades	388,439
Churchill Drive (FM 2499 to Yucca)	330,059
Woodbine Street Reconstruction/ Sewer Line	320,449
Upper Timber Creek Interceptor Phase III	251,746
Justin Road Lift Station Outfall	229,076
Roadway Amenities	225,837
High Road Water Line Replacement Phase II	222,475
FM 407 at Browning	193,412
Wastewater Treatment Plant Rehab Phase V	190,441
	$ 28,022,193

Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	$ 32,065,696	$ 31,974,522	$ 4,419,755	$ 4,419,755	$ 36,485,451	$ 36,394,277
Construction in progress	64,224,552	44,727,852	11,408,950	16,140,433	75,633,502	60,868,285
Buildings	50,389,055	51,881,743	32,824,912	33,931,187	83,213,967	85,812,930
Distribution system	-	-	157,582,667	145,651,482	157,582,667	145,651,482
Equipment	14,075,624	15,313,274	1,663,862	1,369,265	15,739,486	16,682,539
Improvements	30,800,776	31,621,984	-	-	30,800,776	31,621,984
Streets and bridges	151,311,255	143,246,666	-	-	151,311,255	143,246,666
Totals	$ 342,866,958	$ 318,766,041	$ 207,900,146	$ 201,512,122	$ 550,767,104	$ 520,278,163

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonds outstanding of $169,720,000 in tax supported debt.

Outstanding Debt, at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 23,940,000	$ 29,855,000	$ 15,435,000	$ 19,350,000	$ 39,375,000	$ 49,205,000
Certificates of obligation	56,665,000	54,365,000	73,680,000	55,735,000	130,345,000	110,100,000
Totals	$ 80,605,000	$ 84,220,000	$ 89,115,000	$ 75,085,000	$ 169,720,000	$ 159,305,000

The Town of Flower Mound's bonded debt increased by $10,415,000 during the current fiscal year. The key factors in this increase were a net of debt payments in the amount of $16,085,000 and the issuance of $26,500,000 in certificates of obligation.

- On July 16, 2019, the Town issued $26,500,000 in Certificates of Obligation Series, 2019, which will pay for the contractual obligations incurred for constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, signage and traffic signalization incidental thereto and the acquisition of land and rights-of-way therefor, constructing, improving and equipping fire-fighting facilities, acquiring, constructing, improving and equipping park and recreation facilities, including the Gibson-Grant Log Cabin, constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

Standard and Poor's affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA". Fitch Ratings affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA".

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .78%

Additional information on the Town's long term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The fiscal year 2019-2020 budget incorporates a decrease in the property tax rate. The rate will remain at $.4365 per $100 valuation.

The Town increased the base operating budget for fiscal year 2019-2020 primarily by including non-discretionary and decision packages during the budget process. Non-discretionary packages included a variety of one-time replacement and maintenance costs. Decision packages included implementing the School Crossing Guard Program, Staffing expense for Fire Station #7, Cultural Arts Feasibility Study, as well as various improvements and renovations in facilities and infrastructure.

The Town Charter requires that 10.00% of the general fund budget be placed in reserves. The new budget includes an estimated 20.00% unassigned general fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Flower Mound, Financial Services, 2121 Cross Timbers Road, Flower Mound, TX, 75028.

Town of Flower Mound, Texas
Statement of Net Position
September 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 64,105,144	$ 4,708,866	$ 68,814,010
Investments	48,317,016	4,822,695	53,139,711
Receivables (net of allowances for estimated uncollectibles):			
Ad valorem taxes	433,728	-	433,728
Other taxes	4,128,073	-	4,128,073
Unbilled services	-	2,562,873	2,562,873
Accounts	1,176,265	4,416,099	5,592,364
Accrued interest	329,891	-	329,891
Intergovernmental	488,832	-	488,832
Internal balances	14,402	(14,402)	-
Franchise fees	2,030,713	-	2,030,713
Prepaids	90,196	8,195	98,391
Inventory	571,450	574,026	1,145,476
Restricted:			
Cash and cash equivalents	-	42,525,224	42,525,224
Investments	-	11,859,903	11,859,903
Capital assets			
Land	32,065,696	4,419,755	36,485,451
Buildings	71,781,164	53,279,814	125,060,978
Distribution system	-	236,595,997	236,595,997
Equipment	26,477,457	3,775,676	30,253,133
Construction in progress	64,224,552	11,408,950	75,633,502
Improvements	46,524,758	-	46,524,758
Streets and bridges	414,991,123	-	414,991,123
Accumulated depreciation	(313,197,792)	(101,580,046)	(414,777,838)
Total Assets	464,552,668	279,363,625	743,916,293
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	707,354	581,889	1,289,243
Deferred outflows related to pensions	10,787,974	1,456,939	12,244,913
Deferred outflows related to OPEB	101,804	23,739	125,543
Total deferred outflow of resources	11,597,132	2,062,567	13,659,699
LIABILITIES			
Accounts payable	8,429,976	2,909,915	11,339,891
Estimated health claims	1,248,347	-	1,248,347
Salaries payable	1,329,626	150,292	1,479,918
Retainage payable	1,011,428	301,360	1,312,788
Arbitrage payable	41,804	-	41,804
Unearned revenue	-	-	-
Meter deposits	-	537,596	537,596
Payables from restricted assets:			
Accrued bond interest	-	267,643	267,643
Accrued bond interest	252,386	-	252,386
Long-term liabilities:			
Due within one year	10,781,061	7,869,067	18,650,128
Due within more than one year	105,050,145	93,193,143	198,243,288
Total Liabilities	128,144,773	105,229,016	233,373,789
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to OPEB	412,257	98,115	510,372
Total deferred inflow of resources	412,257	98,115	510,372
NET POSITION			
Net investment in capital assets	274,850,281	159,402,047	434,252,328
Restricted for:			
Community services	477,688	-	477,688
Community development	13,245,032	-	13,245,032
Public safety-police	1,892,873	-	1,892,873
Public safety-fire	365,257	-	365,257
Streets	20,973,330	-	20,973,330
Parks	3,934,195	-	3,934,195
Debt service	1,290,869	-	1,290,869
Unrestricted	30,563,245	16,697,014	47,260,259
Total Net Position	$ 347,592,770	$ 176,099,061	$ 523,691,831

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Activities
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Town manager's office	$ 3,273,180	$ 23,847	$ -
Legislative services	524,126	25,519	-
Development services	1,983,306	2,157,785	-
Community services	12,344,192	3,657,765	14,780
Library services	1,896,889	-	-
Police services	18,964,282	906,899	20,152
Financial services	4,000,678	1,100,410	-
Administrative services	6,038,018	-	-
Fire and emergency services	20,916,756	1,521,255	-
Communications	806,512	-	-
Public works	10,155,359	438,973	-
Environmental services	1,487,918	207,400	148,081
Interest on long-term debt	2,449,547	-	-
Total governmental activities	84,840,763	10,039,853	183,013
Business-type activities:			
Utilities	42,723,810	42,418,217	-
Total business-type activities	42,723,810	42,418,217	-
Total primary government	$ 127,564,573	$ 52,458,070	$ 183,013

General Revenues:
Property taxes
Sales taxes
Occupancy taxes
Franchise taxes
Alcoholic beverage taxes
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ -	$ (3,249,333)	$ -	$ (3,249,333)
-	(498,607)	-	(498,607)
-	174,479	-	174,479
-	(8,671,647)	-	(8,671,647)
-	(1,896,889)	-	(1,896,889)
-	(18,037,231)	-	(18,037,231)
-	(2,900,268)	-	(2,900,268)
-	(6,038,018)	-	(6,038,018)
-	(19,395,501)	-	(19,395,501)
-	(806,512)	-	(806,512)
13,214,793	3,498,407	-	3,498,407
-	(1,132,437)	-	(1,132,437)
-	(2,449,547)	-	(2,449,547)
13,214,793	(61,403,104)	-	(61,403,104)
9,103,720	-	8,798,127	8,798,127
9,103,720	-	8,798,127	8,798,127
$ 22,318,513	$ (61,403,104)	$ 8,798,127	$ (52,604,977)
	51,056,486	-	51,056,486
	25,286,435	-	25,286,435
	348,307	-	348,307
	6,370,168	-	6,370,168
	245,537	-	245,537
	2,791,043	1,097,353	3,888,396
	1,120,705	390,020	1,510,725
	1,218,430	(1,218,430)	-
	88,437,111	268,943	88,706,054
	27,034,007	9,067,070	36,101,077
	320,558,763	167,031,991	487,590,754
	$ 347,592,770	$ 176,099,061	$ 523,691,831

Town of Flower Mound, Texas
Balance Sheet
Governmental Funds
September 30, 2019

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 11,324,826	$ 683,674	$ 28,478,567	$ 16,448,142	$ 56,935,209
Investments	12,054,340	747,596	8,224,333	19,260,092	40,286,361
Receivables (net of allowances for estimated uncollectibles):					
Ad valorem taxes	321,743	111,985	-	-	433,728
Other taxes	2,097,039	-	-	2,031,034	4,128,073
Accounts	911,283	-	-	31,124	942,407
Accrued interest	270,950	-	58,941	-	329,891
Intergovernmental	2,977	-	477,323	8,532	488,832
Interfund	-	-	-	99,186	99,186
Franchise fees	1,983,299	-	-	47,414	2,030,713
Inventory	571,450	-	-	-	571,450
Prepaid items	83,894	-	-	6,302	90,196
Total Assets	$ 29,621,801	$ 1,543,255	$ 37,239,164	$ 37,931,826	$ 106,336,046
LIABILITIES					
Accounts payable	$ 5,410,595	$ -	$ 1,487,854	$ 1,260,924	$ 8,159,373
Accrued interest	-	8,664	-	-	8,664
Retainage payable	-	-	834,127	177,301	1,011,428
Arbitrage payable	-	-	41,804	-	41,804
Salaries payable	1,171,707	-	-	157,919	1,329,626
Interfund	-	-	-	99,186	99,186
Total Liabilities	6,582,302	8,664	2,363,785	1,695,330	10,650,081
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	1,568,469	101,726	-	-	1,670,195
Total deferred inflows of resources	1,568,469	101,726	-	-	1,670,195
FUND BALANCES					
Nonspendable for:					
Prepaids	83,894	-	-	-	83,894
Inventory	571,450	-	-	-	571,450
Restricted for:					
Community services	-	-	-	477,688	477,688
Community development	-	-	-	13,245,032	13,245,032
Public safety-police	-	-	-	1,892,873	1,892,873
Public safety-fire	-	-	-	365,257	365,257
Streets	-	-	17,744,302	8,573,113	26,317,415
Parks	-	-	789,856	3,934,195	4,724,051
Facilities	-	-	14,057,063	-	14,057,063
Debt service	-	1,432,865	-	-	1,432,865
Committed for:					
Community services	-	-	-	2,002,505	2,002,505
Community development	400,000	-	-	-	400,000
Public safety-police	-	-	-	75,587	75,587
Parks	-	-	-	5,670,246	5,670,246
Capital projects	-	-	2,284,158	-	2,284,158
Assigned to:					
Use of reserves	3,745,079				3,745,079
Unassigned	16,670,607	-	-	-	16,670,607
Total Fund Balance	21,471,030	1,432,865	34,875,379	36,236,496	94,015,770
Total liabilities, deferred inflows of resources and fund balances	$ 29,621,801	$ 1,543,255	$ 37,239,164	$ 37,931,826	$ 106,336,046

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
As of September 30, 2019

Total fund balances - governmental funds	$	94,015,770
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.		342,866,958
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenues in the funds.		
Taxes		370,502
Franchise fees		778,905
Ambulance fees		145,609
Municipal court fees		94,004
Community activity center services		281,175
Two internal service funds are used by the Town's management. The assets and liabilities of the internal service fund are included with governmental activities, net of internal balances of ($14,402).		13,929,900
Deferred inflows of resources are not reported in the governmental funds:		
Deferred charges on refundings		707,354
Pension contributions after measurement date		2,863,828
Pension difference in actual experience and actuarial assumptions		2,061,257
Pension investment losses		5,862,889
OPEB contributions after measurement date		27,831
OPEB difference in actual experience and actuarial assumptions		(412,257)
OPEB investment losses		73,973
Certain assets and liabilities are accrued in the government-wide statements. However, they are not accrued in the governmental fund statements.		
Accrued interest on the bonds		(243,722)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds payable		(78,423,008)
Certificates of obligation payable		(9,665,000)
Net pension payable		(21,151,981)
Compensated absences		(4,260,567)
OPEB payable		(2,330,650)
Net position of governmental activities	$	347,592,770

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2019

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem	$ 35,861,052	$ 9,630,176	$ -	$ 5,563,096	$ 51,054,324
Sales	12,673,854	-	-	12,612,581	25,286,435
Franchise	5,976,408	-	-	197,805	6,174,213
Alcoholic beverage	245,537	-	-	-	245,537
Hotel occupancy	-	-	-	348,307	348,307
Licenses, permits and fees	2,436,656	-	-	1,110,317	3,546,973
Intergovernmental	1,112,493	-	744,011	175,475	2,031,979
Impact fees	-	-	1,090,371	-	1,090,371
Charges for services	4,234,588	-	-	50,697	4,285,285
Fines and forfeits	1,114,362	-	-	65,133	1,179,495
Investment earnings	682,680	113,559	818,228	830,916	2,445,383
Memorials and contributions	23,849	-	-	23,169	47,018
Other revenue	845,003	250,000	9,463	25,486	1,129,952
Total Revenues	65,206,482	9,993,735	2,662,073	21,002,982	98,865,272
EXPENDITURES					
Current -					
Town manager's office	3,210,344	-	-	-	3,210,344
Legislative services	500,810	-	-	-	500,810
Development services	1,954,622	-	-	-	1,954,622
Community services	7,886,669	-	-	2,978,149	10,864,818
Library Services	1,822,047	-	-	-	1,822,047
Police services	14,715,420	-	-	3,141,991	17,857,411
Financial services	3,631,668	-	-	33,210	3,664,878
Administrative services	5,966,431	-	-	-	5,966,431
Fire and emergency services	15,505,951	-	-	3,038,690	18,544,641
Communications	668,503	-	-	51,738	720,241
Public works	4,765,807	-	-	6,342,686	11,108,493
Environmental services	1,458,742	-	-	-	1,458,742
Debt service	-	12,745,152	-	-	12,745,152
Capital projects	-	-	15,197,860	-	15,197,860
Total Expenditures	62,087,014	12,745,152	15,197,860	15,586,464	105,616,490
Excess (deficiency) of revenues over (under) expenditures	3,119,468	(2,751,417)	(12,535,787)	5,416,518	(6,751,218)
OTHER FINANCING SOURCES (USES)					
Issuance of general debt obligation	-	-	6,050,000	-	6,050,000
Premium on bonds	-	-	873,403	-	873,403
Transfers in	2,007,480	2,908,375	2,805,000	32,122	7,752,977
Transfers out	(2,600,132)	-	-	(3,360,365)	(5,960,497)
Total Other Financing Sources and Uses	(592,652)	2,908,375	9,728,403	(3,328,243)	8,715,883
Net change in fund balances	2,526,816	156,958	(2,807,384)	2,088,275	1,964,665
Fund balances - beginning	18,944,214	1,275,907	37,682,763	34,148,221	92,051,105
Fund balances - ending	$ 21,471,030	$ 1,432,865	$ 34,875,379	$ 36,236,496	$ 94,015,770

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds	$	1,964,665
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not reflect sales or transfers of capital assets. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense and gains and losses are recognized as they occur. (Additions of $28,218,251 and loss on disposals and transfers of $430,014.)		27,788,237
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		11,195,473
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(14,882,793)
The issuance of long term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond proceeds of $6,050,000 less repayments of $9,665,000, plus amortization of deferred loss of $119,673, plus premium of $129,403) is the net effect of these differences in the treatment of long-term debt and related items.		3,365,924
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(409,003)
Current year changes in the long term liability for pensions do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(3,102,155)
Current year changes in the long term liability for OPEB payables do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(195,698)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		6,278
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		249,935
Internal service funds are used by management to share the costs of certain activities, such as the purchase of insurance and vehicle and equipment replacements to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities, net of the amount allocated to business-type activities ($470,946).		1,053,144
Change in net position of governmental activities	$	27,034,007

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Proprietary Funds
September 30, 2019

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,708,866	$ 7,169,935
Investments	4,822,695	8,030,655
Receivables (net of allowances for estimated uncollectibles):		
Accounts	4,416,099	233,858
Unbilled services	2,562,873	-
Prepaids	8,195	-
Inventories, at cost	574,026	-
Restricted:		
Cash and cash equivalents	42,525,224	-
Investments	11,859,903	-
Total current assets	71,477,881	15,434,448
Capital assets:		
Land	4,419,755	-
Buildings	53,279,814	-
Distribution system	236,595,997	-
Equipment	3,775,676	-
Construction in progress	11,408,950	-
Accumulated depreciation	(101,580,046)	-
Total capital assets(net of accumulated depreciation)	207,900,146	-
Total noncurrent assets	207,900,146	-
Total Assets	279,378,027	15,434,448
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges on refundings	581,889	-
Deferred outflows related to pensions	1,456,939	-
Deferred outflows related to OPEB	23,739	-
Total deferred outflow of resources	2,062,567	-
LIABILITIES		
Current liabilities:		
Accounts payable	2,909,915	270,603
Estimated health claims	-	1,248,347
Meter deposits	537,596	-
Salaries payable	150,292	-
Accrued bond interest	267,643	-
Retainage payable	301,360	-
Total current liabilities	4,166,806	1,518,950
Current liabilities payable from restricted assets:		
Current portion of accrued leave benefits	136,250	-
Current portion of contractual obligations	3,837,817	-
Current portion of general obligations	3,895,000	-
Total current liabilities payable from restricted assets	7,869,067	-
Total current liabilities	12,035,873	1,518,950
Noncurrent liabilities		
Accrued leave benefits	347,857	-
Net pension liability	2,892,765	-
OPEB payable	378,174	-
Contractual obligations	78,034,347	-
General obligation bonds	11,540,000	-
Total noncurrent liabilities	93,193,143	-
Total Liabilities	105,229,016	1,518,950
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	-	-
Deferred inflows related to OPEB	98,115	-
Total deferred inflow of resources	98,115	-
NET POSITION		
Net investment in capital assets	159,402,047	-
Unrestricted	16,711,416	13,915,498
Total Net Position	$ 176,113,463	$ 13,915,498

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Enterprise Fund Statement of Net Position
to the Government-wide Statement of Net Position
As of September 30, 2019

Total net position- enterprise fund	$ 176,113,463
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. The amount shown represents the net revenue (expense) allocated to business-type activities since the adoption of GASB 34.	(14,402)
Total net position- business-type activities	$ 176,099,061

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	$ 42,101,847	$ 11,851,740
Penalties, fines and forfeits	316,370	-
Other	390,020	243,989
Total operating revenue	42,808,237	12,095,729
Operating expenses:		
Administration	5,024,964	-
Maintenance and operations	27,898,357	1,762,392
Depreciation	7,661,636	-
Health insurance and flexible benefits	-	8,918,550
Total operating expenses	40,584,957	10,680,942
Operating income	2,223,280	1,414,787
Nonoperating revenues (expenses):		
Interest income	1,097,353	345,660
Interest expense	(2,861,156)	-
Total nonoperating revenue (expenses)	(1,763,803)	345,660
Income before contributions and transfers	459,477	1,760,447
Contributions-developers	6,074,470	-
Contributions-impact fees	3,029,250	-
Contributions-other funds	589,050	-
Transfers in	-	15,000
Transfers out	(1,807,480)	-
Change in net position	8,344,767	1,775,447
Total net position - beginning	167,768,696	12,140,051
Total net position - ending	$ 176,113,463	$ 13,915,498

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Enterprise Funds to the Statement of Activities
For the Year Ended September 30, 2019

Net change in fund net position- enterprise funds	$ 8,344,767
Amounts reported for business-type activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain internal service funds is reported with governmental activities. The amount shown represents the net revenue allocated to business-type activities	722,303
Change in net position of business-type activities	$ 9,067,070

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2019

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 41,115,523	$ -
Cash received from transactions with other funds	-	12,057,856
Cash paid to employees for services	(7,776,783)	-
Cash paid for goods and services	(23,141,258)	(4,927,991)
Cash paid for claims	-	(5,992,067)
Net cash provided by operating activities	10,197,482	1,137,798
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	15,000
Transfers to other funds	(1,807,480)	-
Net cash provided (used) by capital and related financing activities	(1,807,480)	15,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on bonds payable and certificates of obligation	(6,420,000)	-
Interest and fiscal charges	(5,790,051)	-
Proceeds from issuance of debt	20,450,000	-
Proceeds from impact fees	3,029,250	-
Bond issuance costs paid	(244,455)	-
Purchase of capital assets	(7,401,860)	-
Net cash provided (used) by capital and related financing activities	3,622,884	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	23,800,970	1,949,219
Purchase of investment securities	(24,116,599)	(3,485,126)
Interest received	1,097,353	345,660
Net cash provided (used) by investing activities	781,724	(1,190,247)
Net increase in cash and cash equivalents	12,794,610	(37,449)
Cash and cash equivalents, October 1	34,439,480	7,207,384
Cash and cash equivalents, September 30	$ 47,234,090	$ 7,169,935
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 2,223,280	$ 1,414,787
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	7,661,636	-
Change in assets and liabilities		
Decrease (Increase) in trade receivables	(662,179)	(37,873)
Decrease (Increase) in prepaids	46,114	-
Decrease (Increase) in unbilled receivables	(942,357)	-
Decrease (Increase) in inventory	(158,960)	-
Increase (Decrease) in deposits payable	24,668	-
Increase (Decrease) in pension liability	438,961	-
Increase (Decrease) in OPEB payable	(49,569)	-
Increase (Decrease) in accounts payable and accrued liabilities	1,615,888	(239,116)
Total adjustments	7,974,202	(276,989)
Net cash provided by operating activities	$ 10,197,482	$ 1,137,798
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers	$ 6,074,470	$ -
Transfer of capital assets from other funds	589,050	-

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Agency Fund
September 30, 2019

	River Walk Public Improvement District Number 1
ASSETS	
Cash and cash equivalents	$ 2,056,674
Total Assets	$ 2,056,674
LIABILITIES	
Due to debt holders	$ 2,056,674
Total Liabilities	$ 2,056,674

The notes to the financial statements are an integral part of this statement

THE TOWN OF
FLOWER MOUND
TEXAS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Flower Mound is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The accounting and reporting policies of the Town conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on these criteria, the financial information of the Flower Mound's Community Development Corporation has been blended with the Town's financial statements.

Blended Component Unit – Flower Mound's Community Development Corporation is a non-profit corporation that serves the citizens of the Town by improving municipal parks and recreational facilities through land acquisition and the development of parks. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the Town of Flower Mound, and the specific purposes for which the Corporation is organized, and with Town Council approval, may issue bonds on behalf of the Town and expend the proceeds of any sales and use tax levied for projects authorized by Section 4B of Article 5190.6 of the Texas Revised Civil Statutes, as amended, for land, building, equipment, facilities, and improvements required or suitable for use for public park purposes and events, including parks and park facilities, and the maintenance and operation expenses for any of the above described projects.

Because the services that the Community Development Corporation provides exclusive benefits to the Town and the Community Development Corporation operations are so intertwined with those of the Town, the Community Development Corporation is in substance a department of the Town and has been blended into the Town's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund, 4B Parks-Sales Tax Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all activities of the Town and its component units. As a general rule, most effects of inter-fund activity have been removed from these statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town and charges of the internal service funds to the enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported

separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or function/program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/program; 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/program; 3) capital grants and contributions, including special assessments. Taxes and internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, and proprietary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue, as soon as, all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, as soon as, they are both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The Town's Special Revenue Funds are used to account for revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes, as follows:

- *Library Development Fund* – accounts for all monetary donations made to the Flower Mound Public Library.
- *Tax Increment Reinvestment Zone (TIRZ) Fund* – accounts for financial resources and expenditures relating to the reinvestment zone.
- *Park Development Fund* – accounts for all monetary contributions and payments to the Town by developers in lieu of the dedication of actual park land.
- *Tree Preservation Fund* – accounts for funds donated to and used by the Town to provide or support supplemental landscape plantings in public areas and enforce tree preservation regulations.
- *Public Education Government (PEG) Fund* – accounts for revenues derived from cable providers in Flower Mound per Section 66-006 of the Texas Utilities Code.
- *Street Maintenance-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are expended on reconstruction or rehabilitation of street projects.
- *Parks 4B-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used for park and recreation improvements.
- *Crime District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two police beats with staff, equipment and vehicles.
- *Fire District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two fire stations with personnel and equipment.
- *Flower Mound Log Cabin Fund* – accounts for donations and expenditures related to the restoration, maintenance, or repair of the cabin site and/or exhibits.
- *Police Seizure Fund* – accounts for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

- *IRS Equitable Sharing Fund* – accounts for funds received for participating with the IRS task force on criminal investigations and asset forfeitures of illegal activities in the North Texas area.

- *Justice Seizures Fund* – accounts for funds received from the DEA, the DOJ, the US Federal Marshal's office, etc.

- *Chapter 59 Seizure Fund* – accounts for funds that are being pursued in the state-level courts and are held until they are awarded as forfeiture or denied.

- *Animal Care Fund* – accounts for funds received by donation to be used for the care of animals at the animal adoption center.

- *CDBG-HUD Grant Fund* – accounts for revenues derived from the Department of Housing and Urban Development for a Community Development Block Grant and funds are expended for grant related purposes.

- *Grants Fund* – accounts for revenues derived from various granting agencies. The funds are expended for grant related purposes.

- *Neighborhood Improvement Fund* – promotes reinvestment in neighborhoods to maintain property values though a town-sponsored repair and replacement program.

- *Hotel Occupancy Tax Fund* – accounts for the accumulation of resources from the Hotel/Motel tax assessment levied by the Town. These monies are to be spent to promote the progress, development or growth of the Town within the guidelines set forth on the Texas Hotel Occupancy Tax Act.

- *Municipal Court Security Fund* – accounts for municipal court fees assessed to provide for court security.

- *Municipal Court Technology Fund* – accounts for municipal court fees assessed to finance the purchase of technological enhancements for municipal court.

The Town reports the following proprietary funds:

Enterprise Fund – The Town's Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Activities of the fund include administration, operations and maintenance of the water, wastewater, and stormwater drainage systems and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Internal Service Funds – The Town's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town.

- *Health Insurance Fund* – accounts for revenues from premium charges to the departments and employee contributions for individual and dependent coverage in which expenses include claim payments, administrative costs, and reinsurance premiums for the health, dental and eye programs.

- *Vehicle, Equipment and Technology Replacement Fund* – accounts for the purchase of vehicles and equipment operated by the Town in which the departments pay monthly amounts to provide funds for future replacement capital outlay.

Additionally, the Town reports the following fiduciary fund:

Fiduciary Funds – The Town's Fiduciary Funds are used to account for resources held by the Town for the benefit of outside entities. Since these resources cannot be used to support the operations of the Town, they are not shown in the government-wide financial statements. The accounting of fiduciary funds is similar to that of proprietary funds.

- *Public Improvement District (PID) Debt Service Agency Fund* – accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town, as an agent for the Public Improvement District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The Town pools cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when

preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade and property tax receivables are shown net of an allowance for uncollectibles.

F. Property taxes

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the Town's property taxes.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2019, the Town had a tax margin of $2.061 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories

Inventories are accounted for by the consumption method. They are valued at weighted average cost and consist of automotive equipment, postage, meters and settings and gasoline purchased by the Town to use in its automobiles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

I. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds and other amounts designated for capital improvements, as well as, certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g.,

roads, bridges, sidewalks and similar items), are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The Town defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. During the year ended September 30, 2019, no interest was capitalized by the Town.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Structures	20-45 years
Improvements other than Buildings	20-45 years
Utility Improvements	45 years
Vehicles	2-20 years
Machinery & Equipment	7-15 years
Furniture & Office Equipment	3-15 years
Bridges	45 years
Streets	20 years
Signals	10 years

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's total pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, holiday time, comp time, and sick pay benefits. Upon retirement of employment, as defined by the Texas Municipal Retirement System, an employee who has completed a minimum of ten (10) years of continuous service with the Town, shall be eligible for pay for

one-half (½) of accumulated sick leave, or three hundred and sixty (360) hours, whichever is less. All vacation pay, holiday time and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For detail of deferred outflows see Note 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For detail of deferred inflows see Note 6.

O. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

For purposes of measuring the total Retiree Health Care Plan OPEB liability as administered by the Town, related deferred outflows and inflows of resources, and expense, Town specific information about its total Retiree Health Care Plan liability and additions to/deductions from that liability have been determined on the same basis as reported by the Town. The expense and deferred (inflows)/outflows of resources related to are primarily the result from changes in the components of the total liability. Most changes in the total liability will be included in expense in the period of the change. For example, changes in the total liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in the expense immediately. Changes in the total liability that have not been included in the expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to Retiree Health Care Plan.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The non-spendable fund balance classification include amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other

governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the Town Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

For the classification of Governmental Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

The Town Charter requires that 10 percent of the general and utility fund budget be placed in reserves to be used in case of unforeseen items of expenditure. The reserve is under the control of the Town Manager and distributed after approval of the Town Council.

2. CASH AND INVESTMENTS

In order to facilitate effective cash management practices, the cash of all funds is pooled into common accounts for the purpose of increasing income through combined investment activities. At year-end, the carrying amount of the Town's deposits was $(785,649) and the bank balance was $1,771,352. Collateral is required for all of the Town's deposits and investments and shall be secured by pledged collateral with a fair value of no less than 103 percent of the principal, plus accrued interest, less an amount insured by federal deposit insurance. The Town authorized that collateral be in the form of U.S. Treasury obligations (fully and unconditionally guaranteed as to principal and interest by the full faith and credit of the United States), obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or a Federal Home Loan Bank letter of credit and FDIC coverage. Bank deposits are fully insured, or collateralized, with securities held by the Town's agent in the Town's name. The Town had $114,185,012 invested in public funds investment pools included in this report as cash and cash equivalents.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m, or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The Town deposits collections from all sources in interest bearing accounts established for each fund. Excess cash may be invested in obligations of the U.S. Treasury, U.S. Agencies, fully collateralized repurchase agreements, eligible municipal investment pools, no-load money market funds (regulated by the Securities and Exchange Commission) and certificates of deposit. The Town's Investment Policy, which is governed by state statutes and Town resolution, authorizes the investment instruments previously listed. The investments reported at September 30, 2019, were similar to those held during the fiscal year.

The Town has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Investments that have a remaining maturity at the time of purchase in excess of one year are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements.

The Town has investments in government pools at September 30, 2019 totaling $114,185,012, which are recorded at amortized cost.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2019, The Town has investments of $54,989,829 valued using quoted market prices (Level 1 inputs) and $20,199,168 (Level 2 inputs) based on the Documented Trade History in Exact Security Model.

The Town's investments are valued using the Harvest Pricing Model. The Town has investments of $65,099,441 valued using the Documented Trade History in Exact Security Model.

At September 30, 2019, the Town had the following cash equivalents and investments:

	Fair Value	Weighted Avg Maturity (Days)
Primary Government:		
State Wide Investment Pools	$ 114,185,012	31
Treasuries	34,987,152	155
Federal Agencies	30,112,270	146
Total Primary Government	$ 179,284,434	55

The amounts for the Investment Pools (Texpool and Texstar) are included for financial reporting purposes in cash and cash equivalents. The Investment Pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Town's investment policy establishes the portfolio's maximum average dollar-weighted maturity, per pooled fund group, is 365 days for the operating funds, 180 days for the

debt service funds, 730 days for the debt service reserve fund, 90 days for the special revenue funds and 365 days for the capital project funds.

Credit risk. The Town's investment policy, in conjunction with State law, specifies the type of credit rating of all authorized investments. The Town's investments in U.S. Agency securities include Federal Home Loan Mortgage Corporation (FHLMC) security, which is rated AAA by Standard's & Poor's and Aaa by Moody's Investors Service. On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed as conservator of FNMA and FHLMC. The obligations of the agencies will be paid in the normal course of business during the conservatorship. The Treasury Department, through a secured lending credit facility and a senior preferred stock purchase agreement, has significantly enhanced the ability of FNMA and FHLMC to meet their obligations. FHFA does not anticipate that there will be any disruption in FNMA and FHLMC's pattern of payments or ongoing business operations. The investments in TexPool and TexStar carry a rating of AAAm by Standard and Poor's.

Concentration of credit risk. With the exception of U.S. Treasury securities and certificates of deposit, the Town's investment policy limits the amount that may be invested in any one issuer to a percentage of the total investment portfolio, 75% in U.S. Agencies, 70% in local government investment pools and 10% in local government obligations. As of September 30, 2019, 5% or more of the Town's total investments are in the following: TexPool (36.74%), TexStar (26.36%), Federal Agency (16.58%) and Treasury Securities (19.34%), on a fair value basis.

3. RECEIVABLES

Receivables at September 30, 2019, for the Town's individual major funds and other funds (non-major funds, internal service funds), in the aggregate, including the applicable allowances for uncollectible accounts, are shown below.

	General	Debt Service	Capital Projects	Utilities	Other Funds
Receivables					
Taxes	$ 331,855	$ 115,505	$ -	$ -	$ -
Accounts	2,199,405	-	-	5,376,524	31,124
Franchise fees	1,983,299	-	-	-	47,414
Unbilled services	-	-	-	2,562,873	-
Accrued interest	270,950	-	58,941	-	-
Intergovernmental	2,977	-	477,323	-	8,532
Other taxes	2,035,773	-	-	-	2,031,034
Gross receivables	6,824,259	115,505	536,264	7,939,397	2,118,104
Less: allowance	(1,236,968)	(3,520)	-	(960,425)	-
Net total receivables	$ 5,587,291	$ 111,985	$ 536,264	$ 6,978,972	$ 2,118,104

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue are reported as deferred inflows and unearned revenue are reported as a liability. The details of unavailable are shown below.

	Unavailable
Delinquent property taxes receivable (general fund)	$ 268,776
Municipal court receivable (general fund)	94,004
Franchise fee receivable (general fund)	778,905
Ambulance revenues (general fund)	145,609
Community Activity Center accounts receivable (general fund)	281,175
Delinquent property taxes receivable (debt service fund)	101,726
	$ 1,670,195

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables at September 30, 2019 is as follows:

Due to Fund	Due From Fund	Amount	Purpose
Nonmajor Governmental	Nonmajor Governmental	$ 99,186	Short-term funding-intergovernmental receivable
	Total	$ 99,186	

There was an interfund balance at September 30, 2019 between the Street Maintenance Fund and the Fire District and Grants Fund for $99,186. These interfund balances are due to timing of receipts for amounts spent in advance.

Transfers between funds during the year were as follows:

Transfers From	Transfers To	Amount	Reason
Utility Fund	General Fund	$ 1,807,480	Administrative transfer
Nonmajor Governmental Fund	General Fund	200,000	CDC operation & maintenance
General Fund	Capital Projects Fund	150,000	Sidewalk links program
General Fund	Capital Projects Fund	115,000	Street Light program
General Fund	Capital Projects Fund	1,085,000	Town Storage Building
General Fund	Capital Projects Fund	850,000	Fire Department Ladder Truck
General Fund	Capital Projects Fund	155,000	Morriss Improvements, North of 1171
General Fund	Capital Projects Fund	200,000	Windsor Roundabout
Nonmajor Governmental Fund	Capital Projects Fund	50,000	Fire Department Ladder Truck
Nonmajor Governmental Fund	Capital Projects Fund	100,000	Fire Station 7 Trees
Nonmajor Governmental Fund	Capital Projects Fund	100,000	Library Expansion Trees
Nonmajor Governmental Fund	General Debt Service Fund	270,100	Twin Coves park
Nonmajor Governmental Fund	General Debt Service Fund	1,236,425	New Town Hall
Nonmajor Governmental Fund	General Debt Service Fund	1,401,850	Library Project
General Fund	Internal Service Fund	15,000	Retiree subsidy
General Fund	Nonmajor Governmental Fund	25,000	Fence replacement program
General Fund	Nonmajor Governmental Fund	5,132	Grant match
Nonmajor Governmental Fund	Nonmajor Governmental Fund	1,990	Grant match
		$ 7,767,977	

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2019, are summarized as follows:

Governmental activities:	Balance at October 1, 2018	Additions/ Transfers In	Retirements/ Transfers Out	Balance at September 30, 2019
Capital assets not being depreciated:				
Land	$ 31,974,522	$ 91,174	$ -	$ 32,065,696
Construction in progress	44,727,852	26,319,510	(6,822,810)	64,224,552
Total capital assets not being depreciated	76,702,374	26,410,684	(6,822,810)	96,290,248
Capital assets being depreciated:				
Buildings	71,518,835	262,329	-	71,781,164
Streets and bridges	398,224,123	16,767,000	-	414,991,123
Improvements	45,244,665	1,280,093	-	46,524,758
Equipment	27,191,522	1,516,427	(2,230,492)	26,477,457
Total capital assets being depreciated	542,179,145	19,825,849	(2,230,492)	559,774,502
Less accumulated depreciation for:				
Buildings	19,637,092	1,755,017	-	21,392,109
Streets and bridges	254,977,456	8,702,412	-	263,679,868
Improvements	13,622,680	2,101,302	-	15,723,982
Equipment	11,878,250	2,324,062	(1,800,479)	12,401,833
Total accumulated depreciation	300,115,478	14,882,793	(1,800,479)	313,197,792
Total capital assets, being depreciated, net as restated	242,063,667	4,943,056	(430,013)	246,576,710
Governmental activities capital assets, net as restated	$ 318,766,041	$ 31,353,740	$ (7,252,823)	$ 342,866,958

Business-type activities:	Balance at October 1, 2018	Additions/ Transfers In	Retirements/ Transfers Out	Balance at September 30, 2019
Capital assets not being depreciated:				
Land	$ 4,419,755	$ -	$ -	$ 4,419,755
Construction in progress	16,140,433	7,357,528	(12,089,011)	11,408,950
Total capital assets not being depreciated	20,560,188	7,357,528	(12,089,011)	15,828,705
Capital assets being depreciated:				
Buildings	53,183,929	95,885	-	53,279,814
Distribution System	218,541,898	18,054,099	-	236,595,997
Equipment	3,477,564	652,985	(354,873)	3,775,676
Total capital assets being depreciated	275,203,391	18,802,969	(354,873)	293,651,487
Less accumulated depreciation for:				
Buildings	19,252,741	1,202,161	-	20,454,902
Distribution System	72,890,416	6,122,914	-	79,013,330
Equipment	2,108,300	342,666	(339,152)	2,111,814
Total accumulated depreciation	94,251,457	7,667,741	(339,152)	101,580,046
Total capital assets, being depreciated, net	180,951,934	11,135,228	(15,721)	192,071,441
Business-type activities capital assets, net	$ 201,512,122	$ 18,492,756	$ (12,104,732)	$ 207,900,146

Business-type activities include $7,357,528 of the total $14,166,164 in additions of capital assets acquired through the use of debt.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Development services	$ 11,042
Community services	3,026,829
Police services	888,240
Financial services	439,640
Fire and emergency services	1,315,632
Communications	47,085
Infrastructure services	9,154,325
Total depreciation expense-governmental activities	$ 14,882,793

Outstanding commitments at September 30, 2019, under authorized construction contracts were approximately $27,258,021. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

6. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources on the government-wide statement of net position are comprised of the following items:

Deferred Charges on Refundings

- Loss on refunding's – difference in the carrying value of refunded debt and its reacquisition price. Additions result from any deferred losses on current fiscal year refunding's. A reduction is the amount that is amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows Related to Pensions and OPEB

- Contributions after measurement date – Town contributions made from the evaluation date, December 31st to the fiscal year end, which are deferred and recognized in the following fiscal year.
- Difference in actual experience and actuarial assumption – difference in the actuarial economic and demographic assumptions and actual experience on liabilities. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Changes in actuarial assumption – difference arising due to assumption changes. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Investment losses – difference in projected and actual earning on assets. The loss is deferred and amortized over a closed 5 year period.

A summary of changes in deferred outflows of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Deferred amounts:				
Loss on refunding's	$ 827,027	$ -	$ (119,673)	$ 707,354
Pension contributions after measurement date	2,718,924	2,877,985	(2,733,081)	2,863,828
Pension difference in actual experience and actuarial assumptions	2,065,136	-	(3,879)	2,061,257
Pension investment losses	(2,764,871)	8,317,427	-	5,552,556
Pension assumption losses	689,426	-	(379,093)	310,333
OPEB contributions after measurement date	22,259	42,458	(36,886)	27,831
OPEB difference in actual experience and actuarial assumptions	169,769	63,735	(645,761)	(412,257)
OPEB assumption losses	83,353	71,892	(81,272)	73,973
Business-type activities:				
Deferred amounts:				
Loss on refunding's	$ 676,878	$ -	$ (94,989)	$ 581,889
Pension contributions after measurement date	383,626	389,058	(369,469)	403,215
Pension difference in actual experience and actuarial assumptions	287,814	-	(524)	287,290
Pension investment losses	(400,494)	1,124,384	-	723,890
Pension assumption losses	93,791	-	(51,247)	42,544
OPEB contributions after measurement date	2,707	6,403	(5,260)	3,850
OPEB difference in actual experience and actuarial assumptions	28,558	8,617	(135,290)	(98,115)
OPEB assumption losses	15,816	15,062	(10,989)	19,889

7. LONG TERM DEBT

On July 16, 2019, the Town issued $26,500,000 in Certificates of Obligation Series, 2019, which will pay for the contractual obligations incurred for constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, signage and traffic signalization incidental thereto and the acquisition of land and rights-of-way therefor, constructing, improving and equipping fire-fighting facilities, acquiring, constructing, improving and equipping park and recreation facilities, including the Gibson-Grant Log Cabin, constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

Governmental Activities:

Long-term debt of the Town consists of general obligation bonds, certificates of obligation, and obligations under compensated absence agreements. General obligation bonds and certificates of obligation retirement is provided from the debt service tax, together with interest earned within the Debt Service Fund.

The Town's outstanding general obligation bonds are as follows:

Series	Outstanding
2010 Refunding	$ 1,690,000
2012 Refunding	2,825,000
2013 Refunding	280,000
2014 Refunding	3,350,000
2014A Refunding	8,655,000
2016 Refunding	7,140,000
	$ 23,940,000

The debt service requirements of general obligation bonds are as follows:

Due Fiscal Year Ending	Principal General Obligation Bonds	Interest	Total
2020	$ 4,875,000	$ 918,281	$ 5,793,281
2021	4,455,000	744,544	5,199,544
2022	3,695,000	569,094	4,264,094
2023	2,870,000	429,631	3,299,631
2024	2,675,000	309,634	2,984,634
2025-2028	5,370,000	300,675	5,670,675
Total	$ 23,940,000	$ 3,271,859	$ 27,211,859

The Town's outstanding certificates of obligation are as follows:

Series	Outstanding
2009	$ 1,930,000
2010	1,920,000
2013	2,300,000
2014	375,000
2015	2,520,000
2015A	3,435,000
2016	3,475,000
2017	7,660,000
2017A	12,320,000
2018	8,705,000
2018A	5,975,000
2019	6,050,000
	$ 56,665,000

The debt service requirements of certificates of obligation are as follows:

Due Fiscal Year Ending	Principal Certificates of Obligation	Interest	Total
2020	$ 4,020,000	$ 2,128,167	$ 6,148,167
2021	4,140,000	1,999,375	6,139,375
2022	4,250,000	1,885,269	6,135,269
2023	4,350,000	1,760,747	6,110,747
2024	4,500,000	1,607,669	6,107,669
2025-2029	16,825,000	5,570,847	22,395,847
2030-2034	11,190,000	2,719,746	13,909,746
2035-2039	7,390,000	544,875	7,934,875
Total	$ 56,665,000	$ 18,216,695	$ 74,881,695

Business-type Activities:

Utility long-term debt of the Town consists of general obligation bonds and certificates of obligation. Retirement is provided primarily from the revenues or earnings of the Town's Utility Fund.

The Town's Utility System's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Ref	$ 3,150,000
2013 Ref	375,000
2014 Ref	530,000
2014A Ref	720,000
2016 Ref	7,370,000
2017 Ref	3,290,000
	$ 15,435,000

The debt service requirements of the Utility System's general obligation bonds are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2020	$ 3,895,000	$ 604,150	$ 4,499,150
2021	3,765,000	457,638	4,222,638
2022	1,360,000	304,150	1,664,150
2023	1,410,000	246,225	1,656,225
2024	1,480,000	185,044	1,665,044
2025-2028	3,525,000	244,275	3,769,275
Total	$ 15,435,000	$ 2,041,482	$ 17,476,482

The Town's Utility System's outstanding certificates of obligation are as follows:

Series	Outstanding
2010	$ 1,700,000
2011	2,385,000
2012	4,960,000
2013	6,775,000
2014	11,830,000
2015A	6,430,000
2016	7,550,000
2017A	7,835,000
2018A	3,765,000
2019	20,450,000
	$ 73,680,000

The debt service requirements of the Utility System's certificates of obligation are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2020	$ 3,190,000	$ 2,938,204	$ 6,128,204
2021	3,385,000	2,741,206	6,126,206
2022	3,525,000	2,604,084	6,129,084
2023	3,680,000	2,456,484	6,136,484
2024	3,825,000	2,308,825	6,133,825
2025-2029	21,445,000	9,222,525	30,667,525
2030-2034	23,085,000	4,558,788	27,643,788
2035-2039	11,545,000	845,425	12,390,425
Total	$ 73,680,000	$ 27,675,541	$ 101,355,541

A summary of changes in long-term liabilities for the year ended September 30, 2019 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 29,855,000	$ -	$ (5,915,000)	$ 23,940,000	$ 4,875,000
Certificates of obligations	54,365,000	6,050,000	(3,750,000)	56,665,000	4,020,000
Bond premiums/discounts	7,353,604	873,404	(744,000)	7,483,008	787,670
Total bonds payable	91,573,604	6,923,404	(10,409,000)	88,088,008	9,682,670
Compensated absences	3,851,564	430,096	(21,093)	4,260,567	1,098,391
OPEB Liability	2,865,768	379,788	(914,906)	2,330,650	-
Net Pension Liability	9,825,485	18,186,616	(6,860,120)	21,151,981	-
Governmental activity Long-term liabilities	$ 108,116,421	$ 25,919,904	$ (18,205,119)	$ 115,831,206	$ 10,781,061
Business-type activities:					
General obligation bonds	$ 19,350,000	$ -	$ (3,915,000)	$ 15,435,000	$ 3,895,000
Certificates of obligations	55,735,000	20,450,000	(2,505,000)	73,680,000	3,190,000
Bond premiums/discounts	5,734,804	2,957,311	(499,951)	8,192,164	647,817
Total bonds payable	80,819,804	23,407,311	(6,919,951)	97,307,164	7,732,817
Compensated absences	455,548	44,947	(16,388)	484,107	136,250
OPEB Liability	496,643	64,429	(182,898)	378,174	-
Net Pension Liability	1,361,602	2,458,542	(927,379)	2,892,765	-
Business-type activity Long-term liabilities	$ 83,133,597	$ 25,975,229	$ (8,046,616)	$ 101,062,210	$ 7,869,067

For Internal Service funds, long-term liabilities are included as part of the above totals for governmental activities. Compensated absences payables are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance and Flexible Benefit internal service fund, with the retiree subsidy amounts paid by the General Fund.

8. RISK MANAGEMENT

Effective January 1, 1993, the Town established a partially self-funded trust plan which offers medical, dental, vision, long-term life insurance and disability coverage to employees and their dependents. The Town maintains excess loss insurance which limits annual claims paid from the plan to a maximum of $150,000 for any individual claim. Blue Cross Blue Shield of Texas, a third-party administrator, is employed by the plan to administer claims. Trustees have been appointed to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded in an Internal Service Fund. Revenue is recognized from employee payroll deductions and from Town contributions for employee and dependent coverage.

Changes in the claims liability amount were:

	2019	2018
Unpaid claims at beginning of fiscal year	$1,623,565	$1,659,900
Claims incurred and changes in estimates	5,616,849	7,289,309
Payments	(5,992,067)	(7,325,644)
Unpaid claims at end of fiscal year	$1,248,347	$1,623,565

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The Town retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The Town is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the Town is divided into the following types: real and personal property, mobile equipment, boiler and machinery, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, automobile catastrophe, crime, public official liability, and employee benefits liability.

9. TAX ABATEMENTS

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs rebate or abate property, sales and hotel taxes and also include incentive payments and/or reduction in fees that are not tied to taxes. The Town's Economic Development Agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 312 (Property Redevelopment and Tax Abatement Act), and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code.

The City has three categories of economic development agreements:

- Tax Abatements - Property taxes can be abated starting at 20% and is negotiable for up to 10 years. The amount rebated is dependent on the minimum capital investment, the total number of full-time equivalents added to the local workforce, annual salaries of those employees, and environmentally conscious efforts. For fiscal year ending September 30, 2019, the Town abated $97,613,093 in real and/or personal property value, resulting in $428,521 in abated taxes.

- General Economic Development – The Town enters into economic development agreements under Chapter 380 of the Texas Local Government code to stimulate economic development. These agreements authorize the rebate of varying percentages of real and/or personal property taxes, a portion impact fees, permit waivers, or other expenses related to relocation costs, tenant finish-outs, and infrastructure. For fiscal year 2019, the City rebated $210,293 in property taxes and $95,983 in sales taxes.

- Tax Increment Financing – The Town has one active Tax Increment Reinvestment Zone (TIRZ #1) under Chapter 311 of the Texas Tax Code. The TIRZ #1 2019 Annual Report identified an ending balance of $13,245,032, after total expenditures of $6,103,464 and total revenue of $5,884,285.

All incentive agreements (Chapter 380 and Tax Abatement Agreements) contain repayment (recapture) language, requiring the incentive recipient to refund the incentives if the recipient does not meet their contractual obligations outlined in the agreement. Obligations of incentive recipients vary, but typically include a timing deadline with regard to completion of construction, a deadline to receive a certificate of occupancy for the facility being incentivized, a minimum number of jobs (if the business is known), or a minimum taxable value, etc. Incentive recipients are to be notified of the default of their performance and given the opportunity to cure the default within a defined timeframe. If the default cannot be cured, then the recipient shall repay the amount of the incentive to the Town.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Town's financial position, result of operations, or cash flows.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Town contracts with the Upper Trinity Regional Water District (UTRWD), a conservation and reclamation district whereby the District finances, constructs, operates and maintains water treatment facilities for the benefit of the Town. Under the current contract (which expires May 2022 or when the Bonds issued by UTRWD for the system have been paid in full, whichever is later) the Town agrees to purchase an agreed upon minimum of wholesale treated water service for resale at the rate established annually by UTRWD based on the Town's proportionate share of the annual requirement, and the Town is unconditionally liable to purchase the annual minimum regardless of the needs of the Town. The Town made $16,256,381 in payments to UTRWD in the current fiscal year.

On February 22, 2011 Trinity River Authority of Texas (TRA), issued $4,735,000 of Town of Flower Mound Wastewater Transportation Contract Revenue Bonds, Series 2011 maturing August 1, 2030, for the purpose of design, acquisition and construction of the Town's portion of the Graham Branch Wastewater Transportation System Phase II. The project consists of a lift station and force main used to transport wastewater from the towns of Flower Mound, Argyle, and Northlake to the TRA Denton Creek Regional Wastewater System. TRA will acquire, construct, own, and operate the facilities. The Town is responsible to pay monthly installments equal to the annual payment sufficient for TRA to meet its bond service requirements. In addition to these payments the Town is separately contracted to pay operation and maintenance costs of the project. The Town made $565,208 in payments to TRA in the current fiscal year.

11. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that can be obtained at *www.tmrs.com*.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the Town Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A Summary of plan provisions adopted by the Town as of December 31, 2018 is as follows:

Employee deposit rate	7.0%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase to retirees	70% of Consumer Price Index (CPI)

Employees covered by benefit terms:

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	221
Inactive employees entitled to but not yet receiving benefits	452
Active Employees	586
	1,259

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town of Flower Mound were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 10.56% and 10.67% in calendar years 2018 and 2019, respectively. The Town's contributions to TMRS for the year ended September 30, 2019, were $4,139,960, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	$ 132,297,590	$ 121,110,503	$ 11,187,087
Changes for the year:			
Service cost	5,790,170	-	5,790,170
Interest	9,001,156	-	9,001,156
Difference between expected and actual experience	1,153,606	-	1,153,606
Contributions- employer	-	4,085,713	(4,085,713)
Contributions- employee	-	2,705,159	(2,705,159)
Net investment income	-	(3,629,822)	3,629,822
Benefits payments, including refunds of employee contributions	(3,684,440)	(3,684,440)	-
Administrative expense	-	(70,114)	70,114
Other changes	-	(3,664)	3,664
Net Changes	$ 12,260,492	$ (597,168)	$ 12,857,660
Balance at 12/31/2018	$ 144,558,082	$ 120,513,335	$ 24,044,747

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
Town's net pension liability	$ 46,576,066	$ 24,044,747	$ 5,632,998

Pension plan fiduciary net position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension expense and deferred outflows of resources related to pensions

For the year ended September 30, 2019, the Town recognized pension expense of $7,936,304.

At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 2,348,547	$ -
Difference between projected and actual investment earnings	6,276,446	-
Contributions subsequent to the measurement date	3,267,043	-
Changes in Actuarial assumptions	352,877	-
Total	$ 12,244,913	$ -

$3,267,043 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended September 30,	
2020	$ 3,578,836
2021	1,625,076
2022	1,287,107
2023	2,486,851
Total	$ 8,977,870

12. OTHER POST-EMPLOYMENT BENEFITS

TMRS Supplemental Death Benefits Fund

Plan Description

The Town voluntarily participates in a single-employer other post-employment benefit (OPEB) plan administered by TMRS. The plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the Town's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided

The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered another employment benefit and is a fixed amount of $7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	147
Inactive employees entitled to but not yet receiving benefits	80
Active employees	586
Total	813

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.13% for both 2019 and 2018, of which 0.01%, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the years ended September 30, 2019 and 2018 were $50,569 and $50,084, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Entry age normal
Discount rate	3.71%
Projected salary increases	3.50% to 10.5% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

Salary increases are based on a service-related table.

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is

applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.71% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (3.71%)	1% Increase in Discount Rate
Total OPEB Liability	$ 1,452,975	$ 1,206,676	$ 1,017,248

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,206,676 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2019, the Town recognized OPEB expense of $120,896. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2017	$ 1,109,549
Changes for the year:	
Service cost	69,482
Interest	37,812
Change of benefit terms	-
Difference between expected and actual experience	84,553
Changes of assumptions and other inputs	(90,860)
Benefit payments	(3,860)
Net changes	97,127
Balance at 12/31/2018	$ 1,206,676

Changes in assumptions and other inputs reflect a change in the discount rate from 3.31% to 3.71%.

At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 72,352	$ -
Changes in actuarial assumptions	-	6,205
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	38,097	-
Totals	$ 110,449	$ 6,205

$38,097 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2020. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2020	$ 13,602
2021	13,602
2022	13,602
2023	13,602
2024	12,586
Thereafter	(847)
Total	$ 66,147

Retiree Health Care Plan

Plan Description

The Town provides health care benefits through a single-employer defined benefit healthcare plan for all regular full-time employees who retire after December 31, 2006 and meet minimum retirement age of 60 and have been employed by the Town for five years continuously prior to retirement or have twenty years or more of service at any age.

Benefits Provided

The Retiree Health Care Plan provides medical and dental coverage for those employees that meet the eligibility requirements and opt into the plan at retirement. Employees who become disabled are not eligible for retiree health care benefits. The spouse of a current employee can continue to receive coverage when the employee retires if the spouse was covered at the time of

retirement, and the retiring employee meets the previously outlined criteria for continued coverage, and the retiring employee continues to elect (and pay for) coverage for the dependent at open enrollments. The spouses of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the health care plan are not eligible to opt back in. Survivors of employees who die while actively employed are not eligible for retiree health care benefits, unless the employee was a Public Safety Officer.

The number of employees currently covered by the benefit terms is as follows:

Retirees and Beneficiaries	7
Inactive, Nonretired Employees	-
Active Employees	486
Total	493

Contributions

Currently the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Beginning January 1, 2015, the contribution rates for retirees and their dependents is based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan. Retiree contribution rates for fiscal year 2018-2019 ranged from $799.77 to $2,288.57 per month depending on coverage levels selected. There is one retiree whose contribution rate is $150.55 per month for employee plus family dental and vision coverage only and a second retiree whose contribution rate is $94.10 per month for employee plus spouse dental and vision coverage only.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Individual Entry Age
Discount rate	3.71%
Projected salary increases	3.50% to 10.5% including inflation

Administrative expenses for the Retiree Health Care Plan are recognized on a pay-as you-go basis.

Mortality rates for healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

Health Care trend rates were estimated using an initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.

Participation rates assumed that 15% of those eligible for a service-based subsidy and 0% of those without a service-based subsidy would elect coverage. It was assumed no employees would maintain their health coverage through the Town's plan if they retire prior to age 50, except those retiring through TMRS disability retirement. All retirees are assumed to discontinue coverage upon reaching eligibility for Medicare.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014, as conducted for the Texas Municipal Retirement System (TMRS).

Discount Rate

Because the Retiree Health Care plan is essentially a "pay-as-you-go" plan and does not have formal assets, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (3.71%)	1% Increase in Discount Rate
Total OPEB Liability	$ 1,658,005	$ 1,502,148	$ 1,362,829

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the healthcare trend rate used was 1% less than and 1% greater than the healthcare trend rate that was used (7.20%) in measuring the total OPEB liability.

	1% Decrease in Health Care Trend Rate	Health Care Trend Rate (7.20%)	1% Increase in Health Care Trend Rate
Total OPEB Liability	$ 1,353,209	$ 1,502,148	$ 1,679,449

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,502,148 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2019, the Town recognized OPEB expense of $115,154. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2017	$ 2,252,862
Changes for the year:	
Service cost	116,359
Interest	77,152
Change of benefit terms	-
Difference between expected and actual experience	(983,077)
Changes of assumptions and other inputs	(821)
Benefit payments	39,673
Net changes	(750,714)
Balance at 12/31/2018	$ 1,502,148

Changes in assumptions and other inputs reflect a change in the discount rate from 3.31% to 3.71%.

At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 99,275	$ 880,329
Changes in actuarial assumptions	87,689	735
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	-	4,416
Totals	$ 186,964	$ 885,480

$4,416 reported as deferred inflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a decrease of the total OPEB liability for the year ending September 30, 2020. A decrease will occur occasionally due to this being a self-funded plan and the small number of retirees on the plan. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2020	$(78,357)
2021	(78,357)
2022	(78,357)
2023	(78,357)
2024	(78,357)
Thereafter	(302,315)
Total	$(694,100)

13. NEW FINANCIAL REPORTING REQUIREMENTS AND RESTATEMENT

The GASB issued the following statements which became effective for fiscal year 2019 but they had no impact for the Town.

Statement No. 83, “Certain Asset Retirement Obligations.”

Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.”

14. SUBSEQUENT EVENTS

The Town has evaluated events and transactions for potential recognition or disclosure through March 2, 2020, the date the financial statements were available to be issued, and the Town has found no significant events to disclose.

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 54,769,342	$ 54,769,342	$ 54,756,851	$ -	$ 54,756,851	$(12,491)
Licenses, permits and fees	2,603,550	2,603,550	2,436,656	-	2,436,656	(166,894)
Intergovernmental	807,707	895,811	1,112,493	-	1,112,493	216,682
Charges for services	4,126,850	4,201,515	4,234,588	-	4,234,588	33,073
Fines and forfeits	1,222,835	1,222,835	1,114,362	-	1,114,362	(108,473)
Investment earnings	120,500	120,500	682,680	-	682,680	562,180
Memorials and contributions	4,500	22,265	23,849	-	23,849	1,584
Other revenue	609,065	609,065	845,003	-	845,003	235,938
Total Revenues	64,264,349	64,444,883	65,206,482	-	65,206,482	761,599
EXPENDITURES						
Town manager's office	4,034,090	4,106,590	3,210,344	63,411	3,273,755	832,835
Legislative services	485,725	505,925	500,810	-	500,810	5,115
Development services	2,119,533	2,119,533	1,954,622	41,300	1,995,922	123,611
Community services	8,736,926	8,770,191	7,886,669	124,985	8,011,654	758,537
Library Services	1,781,570	1,806,570	1,822,047	(20,655)	1,801,392	5,178
Police services	15,699,544	15,957,994	14,715,420	202,250	14,917,670	1,040,324
Financial services	3,671,661	3,744,461	3,631,668	7,526	3,639,194	105,267
Administrative services	6,037,781	6,288,952	5,966,431	93,389	6,059,820	229,132
Fire and emergency services	15,987,806	15,987,806	15,505,951	358,454	15,864,405	123,401
Communications	726,680	726,680	668,503	-	668,503	58,177
Public works	4,963,528	5,038,528	4,765,807	159,113	4,924,920	113,608
Environmental services	1,581,068	1,581,068	1,458,742	23,500	1,482,242	98,826
Total Expenditures	65,825,912	66,634,298	62,087,014	1,053,273	63,140,287	3,494,011
Excess (deficiency) of revenues over (under) expenditures	(1,561,563)	(2,189,415)	3,119,468	(1,053,273)	2,066,195	4,255,610
OTHER FINANCING SOURCES (USES)						
Operating transfers in	2,007,480	2,007,480	2,007,480	-	2,007,480	-
Operating transfers out	(2,600,132)	(2,600,132)	(2,600,132)	-	(2,600,132)	-
Total other financing sources and uses	(592,652)	(592,652)	(592,652)	-	(592,652)	-
Net change in fund balances	(2,154,215)	(2,782,067)	2,526,816	(1,053,273)	1,473,543	4,255,610
Fund balances - beginning	18,944,214	18,944,214	18,944,214	-	18,944,214	-
Fund balances - ending	$ 16,789,999	$ 16,162,147	$ 21,471,030	$(1,053,273)	$ 20,417,757	$ 4,255,610

TOWN OF FLOWER MOUND, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on page 77 and other informational budgets are presented in the individual fund statements.

The Town Manager submits to the Town Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for all funds of the Town. At the meeting of the Town Council at which the budget is submitted, the Town Council determines the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing, the budget may be adopted by a favorable vote of three of the members of the Town Council. Upon adoption, the budget is filed with the Town Secretary, the County Clerk of Denton County and the County Clerk of Tarrant County.

During the fiscal year, the Town Council may transfer funds allocated to a department to another department or re-estimate revenue or expenditures. The Town Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements except transfers out which are included for budget purposes in a Non-Departmental department.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of commitment. Unencumbered appropriations at fiscal year end lapse except for multi-year grants and/or projects. For budgeting purposes, encumbrances are treated as expenditures.

During fiscal year 2018-2019, the Town Council of the Town of Flower Mound amended the budget for the General Fund three times. The original expenditure and transfers budget was amended to increase the budget by $808,386.

The budget was increased by $62,500 for economic development incentives. The Police Services budget was increased by $258,450 for a Sergeant position in the schools, an increase in racial profiling audit and a new K-9. The Legislative Services budget was increased by $5,200 due to the Town of Flower Mound voters approving a monthly stipend for each council member in the May 2019 election. Financial Services budget increased $72,800 for the home incentive program. The Parks and Recreations Services budget increased $17,765 due to a donation from the SIMS Advisory Board to purchase a new oven for the Senior Center and to supplement the cost of the new sound system at the Senior Center. The Parks and Recreations Services budget also increased $55,500 for additional funding for the seniors program and the tennis program. Administrative Services budget was increased $75,000 to upgrade the Trakit Software that was originally budgeted for during FY 17-18 and $150,000 to account for facilities projects that weren't completed during the prior year, such as Community Activity Center fitness floor screening border, Central Fire Station furniture for expanded administration area and replacement of the emergency generator, Fire Station 2 installation of washer/extractor and dryer and Fire Station 3 renovation of the

community room. The remaining $111,171 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2018.

The revenue budget was increased with amendments by $180,534. Intergovernmental revenue increased $88,104 for reimbursement from LISD for the School Sergeant. The Town received two donations from the SIMS Advisory Board for $17,765. The board donated funds to purchase a new oven for the Senior Center and to supplement the cost of the new sound system at the Senior Center. Revenues also increased by $61,355 due to enhancements in a tennis program and by $13,310 for seniors programs.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Changes in Net Pension Liability and Related Ratios
Last Fiscal Plan Year (Previous years are not available)

	2014	2015	2016	2017	2018
Total pension liability:					
Service Cost	$ 4,090,390	$ 4,692,031	$ 5,117,444	$ 5,520,137	$ 5,790,170
Interest	6,286,051	6,874,186	7,453,691	8,218,307	9,001,156
Difference between expected and actual experience	205,066	1,205,977	1,666,086	1,175,904	1,153,606
Change of assumptions	-	2,074,237	-	-	-
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)
Net change in total pension liability	$ 8,291,109	$ 12,176,021	$ 11,234,153	$ 11,695,571	$ 12,260,492
Total pension liability - beginning	88,900,736	97,191,845	109,367,866	120,602,019	132,297,590
Total pension liability - Ending (a)	$ 97,191,845	$ 109,367,866	$ 120,602,019	$ 132,297,590	$ 144,558,082
Plan fiduciary net position:					
Contributions - Employer	$ 2,688,103	$ 3,026,380	$ 3,188,542	$ 3,767,294	$ 4,085,713
Contributions - Employee	2,123,871	2,248,064	2,389,176	2,579,504	2,705,159
Net Investment Income	4,852,360	135,954	6,408,566	14,374,734	(3,629,822)
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)
Administrative Expenses	(50,652)	(82,800)	(72,340)	(74,475)	(70,114)
Other	(4,164)	(4,090)	(3,898)	(3,774)	(3,664)
Net change in plan fiduciary net position	$ 7,319,120	$ 2,653,098	$ 8,906,978	$ 17,424,506	$ (597,168)
Plan fiduciary net position - beginning	84,806,800	92,125,920	94,779,019	103,685,997	121,110,503
Plan fiduciary net position - ending (b)	$ 92,125,920	$ 94,779,018	$ 103,685,997	$ 121,110,503	$ 120,513,335
Net pension liability (a)- (b)	$ 5,065,925	$ 14,588,848	$ 16,916,022	$ 11,187,087	$ 24,044,747
Plan fiduciary net position as a percentage of total pension liability	94.79%	86.66%	85.97%	91.54%	83.37%
Covered payroll	30,307,892	32,115,199	34,116,296	36,850,050	38,601,134
Net pension liability as a percentage of covered payroll	16.71%	45.43%	49.58%	30.36%	62.29%

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Contributions
Last Ten Fiscal Years

Fiscal Year	(1) Actuarial determined contribution	(2) Contribution in relation to the Actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Contributions as a percentage of Covered Payroll (2) / (4)
2010	3,034,730	3,034,730	-	27,055,867	11.22%
2011	3,038,173	3,038,173	-	26,987,129	11.26%
2012	2,596,360	2,596,360	-	27,417,720	9.47%
2013	2,526,334	2,526,334	-	28,325,218	8.92%
2014	2,644,038	2,644,038	-	29,731,270	8.89%
2015	2,883,444	2,958,444	75,000	31,692,484	9.33%
2016	3,196,435	3,251,435	55,000	34,809,474	9.34%
2017	3,544,829	3,544,829	-	35,992,438	9.85%
2018	4,035,061	4,035,061	-	38,525,767	10.47%
2019	4,139,960	4,139,960	-	39,872,578	10.38%

Valuation Date:
Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rate for 2018:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10-year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 combined mortality table with blue collar adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Supplemental Death Benefit Schedule of Changes in Total OPEB Liability and Related Ratios
Last Fiscal Plan Year (Previous years are not available)

Measurement Date December 31,	2017	2018
A. Total OPEB liability		
Service Cost	$ 58,960	$ 69,482
Interest (on the Total OPEB Liability)	35,744	37,812
Difference between expected and actual experience	-	84,553
Changes of assumptions	100,568	(90,860)
Benefit payments	(3,685)	(3,860)
Net change in Total OPEB liability	191,587	97,127
Total OPEB liability - beginning	917,962	1,109,549
Total OPEB liability - ending	1,109,549	1,206,676
B. Covered payroll	$ 36,850,050	$ 38,601,134
C. Total OPEB liability as a percentage of covered payroll	3.01%	3.13%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*
- Included in the changes of assumptions for 2018 was an increase to the discount rate from 3.31% to 3.71%.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Required Supplemental Information
Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios
Last Fiscal Plan Year (Previous years are not available)

Measurement Date December 31,	2017	2018
A. Total OPEB liability		
Service Cost	$ 84,755	$ 116,359
Interest (on the Total OPEB Liability)	76,129	77,152
Difference between expected and actual experience	125,269	(983,077)
Changes of assumptions	110,649	(821)
Benefit payments	(199,405)	39,673
Net change in Total OPEB liability	197,397	(750,714)
Total OPEB liability - beginning	2,055,465	2,252,862
Total OPEB liability - ending	2,252,862	1,502,148
B. Covered payroll	$ 36,850,050	$ 38,601,134
C. Total OPEB liability as a percentage of covered payroll	6.11%	3.89%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Included in the changes of assumptions was an increase to the discount rate from 3.31% to 3.71% and minor updates to the health care trend assumption.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 9,619,978	$ 9,619,978	$ 9,630,176	$ -	$ 9,630,176	$ 10,198
Investment earnings	30,000	30,000	113,559	-	113,559	83,559
Other revenue	-	-	250,000	-	250,000	250,000
Total Revenue	9,649,978	9,649,978	9,993,735	-	9,993,735	343,757
EXPENDITURES						
Debt service						
Principal	9,665,000	9,665,000	9,665,000	-	9,665,000	-
Interest and fiscal charges	3,094,500	3,094,500	3,080,152	-	3,080,152	14,348
Total Expenditures	12,759,500	12,759,500	12,745,152	-	12,745,152	14,348
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,109,522)	(3,109,522)	(2,751,417)	-	(2,751,417)	358,105
OTHER FINANCING SOURCES						
Transfers in	3,158,375	3,158,375	2,908,375	-	2,908,375	(250,000)
Total Other Financing Sources	3,158,375	3,158,375	2,908,375	-	2,908,375	(250,000)
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	48,853	48,853	156,958	-	156,958	108,105
FUND BALANCE, BEGINNING OF YEAR	1,275,907	1,275,907	1,275,907	-	1,275,907	-
FUND BALANCE, END OF YEAR	$ 1,324,760	$ 1,324,760	$ 1,432,865	$ -	$ 1,432,865	$ 108,105

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP	Adjustments Budget	Actual Budget	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES						
Impact fees	$ -	$ -	$ 1,090,371	$ -	$ 1,090,371	$ 1,090,371
Investment earnings	-	-	818,228	-	818,228	818,228
Intergovernmental	-	-	744,011	-	744,011	744,011
Other revenue	-	-	9,463	-	9,463	9,463
Total revenues	-	-	2,662,073	-	2,662,073	2,662,073
EXPENDITURES						
Current -						
Capital projects	21,504,611	33,154,578	15,197,860	9,490,502	24,688,362	8,466,216
Total Expenditures	21,504,611	33,154,578	15,197,860	9,490,502	24,688,362	8,466,216
Excess (deficiency) of revenues over (under) expenditures	(21,504,611)	(33,154,578)	(12,535,787)	(9,490,502)	(22,026,289)	11,128,289
OTHER FINANCING SOURCES (USES)						
Issuance of general debt obligation	-	-	6,050,000	-	6,050,000	6,050,000
Premium on bonds	-	-	873,403	-	873,403	873,403
Transfers in	-	-	2,805,000	-	2,805,000	2,805,000
Total other financing sources and uses	-	-	9,728,403	-	9,728,403	9,728,403
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(21,504,611)	(33,154,578)	(2,807,384)	(9,490,502)	(12,297,886)	20,856,692
FUND BALANCE, BEGINNING OF YEAR	37,682,763	37,682,763	37,682,763	-	37,682,763	-
FUND BALANCE, END OF YEAR	$ 16,178,152	$ 4,528,185	$ 34,875,379	$(9,490,502)	$ 25,384,877	$ 20,856,692

Town of Flower Mound, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Special Revenue									
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin
ASSETS										
Cash and cash equivalents	$ 17,623	$ 6,251,330	$ 2,706,252	$ 774,535	$ 260,043	$ 3,923,354	$ 1,600,004	$ 269,946	$ -	$ 2,486
Investments	14,238	7,048,536	3,139,743	1,021,695	162,782	4,725,635	2,080,717	486,114	65,071	44
Sales tax receivable	-	-	-	-	-	508,943	508,943	507,585	505,563	-
Accounts receivable	-	-	-	-	-	464	143	-	-	-
Franchise fees receivable	-	-	-	-	47,414	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	99,186	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	6,302	-	-
Total Assets	$ 31,861	$ 13,299,866	$ 5,845,995	$ 1,796,230	$ 470,239	$ 9,257,582	$ 4,189,807	$ 1,269,947	$ 570,634	$ 2,530
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable	$ 3,248	$ 54,834	$ 175,749	$ 3,201	$ 26,020	$ 548,615	$ 214,165	$ 87,983	$ 27,757	$ -
Retainage payable	-	-	-	-	-	135,854	41,447	-	-	-
Salaries payable	-	-	-	1,091	-	-	-	71,272	85,556	-
Interfund	-	-	-	-	-	-	-	-	92,064	-
Total Liabilities	3,248	54,834	175,749	4,292	26,020	684,469	255,612	159,255	205,377	-
Fund Balance:										
Restricted for:										
Community services	-	-	-	-	444,219	-	-	-	-	2,530
Community development	-	13,245,032	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	1,110,692	365,257	-
Streets	-	-	-	-	-	8,573,113	-	-	-	-
Parks	-	-	-	-	-	-	3,934,195	-	-	-
Committed for:										
Community services	28,613	-	-	1,791,938	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Parks	-	-	5,670,246	-	-	-	-	-	-	-
Total Fund Balance	28,613	13,245,032	5,670,246	1,791,938	444,219	8,573,113	3,934,195	1,110,692	365,257	2,530
Total Liabilities and Fund Balance	$ 31,861	$ 13,299,866	$ 5,845,995	$ 1,796,230	$ 470,239	$ 9,257,582	$ 4,189,807	$ 1,269,947	$ 570,634	$ 2,530

Special Revenue												
Police Seizure	IRS Equitable Sharing	Justice Seizures	Chapter 59 Seizures	Animal Care	CDBG-HUD Grant	Grants	Neighborhood Improvement	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Nonmajor Governmental Funds
$ 12,680	$ 232,840	$ -	$ 97,612	$ 47,105	$ 6	$ -	$ 110,927	$ 45,511	$ 46,899	$ 48,989	$ 16,448,142
13,361	270,386	-	-	29,062	-	-	67,897	51,287	46,023	37,501	19,260,092
-	-	-	-	-	-	-	-	-	-	-	2,031,034
-	-	-	-	-	-	-	3,130	27,387	-	-	31,124
-	-	-	-	-	-	-	-	-	-	-	47,414
-	-	-	-	-	1,410	7,122	-	-	-	-	8,532
-	-	-	-	-	-	-	-	-	-	-	99,186
-	-	-	-	-	-	-	-	-	-	-	6,302
$ 26,041	$ 503,226	$ -	$ 97,612	$ 76,167	$ 1,416	$ 7,122	$ 181,954	$ 124,185	$ 92,922	$ 86,490	$ 37,931,826
$ 14,870	$ -	$ -	$ 9,202	$ 580	$ 1,416	$ -	$ -	$ 93,246	$ -	$ 38	$ 1,260,924
-	-	-	-	-	-	-	-	-	-	-	177,301
-	-	-	-	-	-	-	-	-	-	-	157,919
-	-	-	-	-	-	7,122	-	-	-	-	99,186
14,870	-	-	9,202	580	1,416	7,122	-	93,246	-	38	1,695,330
-	-	-	-	-	-	-	-	30,939	-	-	477,688
-	-	-	-	-	-	-	-	-	-	-	13,245,032
11,171	503,226	-	88,410	-	-	-	-	-	92,922	86,452	2,258,130
-	-	-	-	-	-	-	-	-	-	-	8,573,113
-	-	-	-	-	-	-	-	-	-	-	3,934,195
-	-	-	-	-	-	-	181,954	-	-	-	2,002,505
-	-	-	-	75,587	-	-	-	-	-	-	75,587
-	-	-	-	-	-	-	-	-	-	-	5,670,246
11,171	503,226	-	88,410	75,587	-	-	181,954	30,939	92,922	86,452	36,236,496
$ 26,041	$ 503,226	$ -	$ 97,612	$ 76,167	$ 1,416	$ 7,122	$ 181,954	$ 124,185	$ 92,922	$ 86,490	$ 37,931,826

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2019

	Special Revenue									
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin
REVENUES										
Ad valorem taxes	$ -	$ 5,563,096	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Franchise fees	-	-	-	-	197,805	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	3,168,134	3,168,134	3,146,961	3,129,352	-
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	962,236	148,081	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment earnings	852	321,189	130,168	44,813	7,930	206,206	78,487	16,092	-	-
Memorials and contributions	11,019	-	3,761	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total Revenues	11,871	5,884,285	1,096,165	192,894	205,735	3,374,340	3,246,621	3,163,053	3,129,352	-
EXPENDITURES										
Current -										
Community services	14,593	-	286,518	86,413	-	-	2,023,671	-	-	-
Police services	-	-	-	-	-	-	-	3,101,472	-	-
Financial services	-	-	-	-	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-	-	-	3,038,690	-
Communications	-	-	-	-	51,738	-	-	-	-	-
Public works	-	3,465,189	-	-	-	2,810,540	-	-	-	-
Total Expenditures	14,593	3,465,189	286,518	86,413	51,738	2,810,540	2,023,671	3,101,472	3,038,690	-
Excess (deficiency) of revenues over (under) expenditures	(2,722)	2,419,096	809,647	106,481	153,997	563,800	1,222,950	61,581	90,662	-
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(2,638,275)	-	(200,000)	-	-	(470,100)	(1,990)	(50,000)	-
Total other financing sources and uses	-	(2,638,275)	-	(200,000)	-	-	(470,100)	(1,990)	(50,000)	-
Net change in fund balances	(2,722)	(219,179)	809,647	(93,519)	153,997	563,800	752,850	59,591	40,662	-
Fund balances - beginning	31,335	13,464,211	4,860,599	1,885,457	290,222	8,009,313	3,181,345	1,051,101	324,595	2,530
Fund balances - ending	$ 28,613	$ 13,245,032	$ 5,670,246	$ 1,791,938	$ 444,219	$ 8,573,113	$ 3,934,195	$ 1,110,692	$ 365,257	$ 2,530

Special Revenue												
Police Seizure	IRS Equitable Sharing	Justice Seizures	Chapter 59 Seizures	Animal Care	CDBG-HUD Grant	Grants	Neighborhood Improvement	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,563,096
-	-	-	-	-	-	-	-	-	-	-	197,805
-	-	-	-	-	167,304	8,171	-	-	-	-	175,475
-	-	-	-	-	-	-	-	-	-	-	12,612,581
-	-	-	-	-	-	-	-	348,307	-	-	348,307
-	-	-	-	-	-	-	-	-	-	-	1,110,317
-	-	-	-	-	-	-	50,697	-	-	-	50,697
-	-	-	11,763	-	-	-	-	-	22,873	30,497	65,133
666	11,944	-	-	1,811	-	-	4,354	2,215	2,101	2,088	830,916
-	-	-	-	8,389	-	-	-	-	-	-	23,169
-	-	-	-	-	24,700	500	286	-	-	-	25,486
666	11,944	-	11,763	10,200	192,004	8,671	55,337	350,522	24,974	32,585	21,002,982
-	-	-	-	-	225,725	1,550	-	339,679	-	-	2,978,149
-	10,920	1,309	3,336	10,711	-	14,243	-	-	-	-	3,141,991
-	-	-	-	-	-	-	-	-	13,106	20,104	33,210
-	-	-	-	-	-	-	-	-	-	-	3,038,690
-	-	-	-	-	-	-	-	-	-	-	51,738
-	-	-	-	-	-	-	66,957	-	-	-	6,342,686
-	10,920	1,309	3,336	10,711	225,725	15,793	66,957	339,679	13,106	20,104	15,586,464
666	1,024	(1,309)	8,427	(511)	(33,721)	(7,122)	(11,620)	10,843	11,868	12,481	5,416,518
-	-	-	-	-	-	7,122	25,000	-	-	-	32,122
-	-	-	-	-	-	-	-	-	-	-	(3,360,365)
-	-	-	-	-	-	7,122	25,000	-	-	-	(3,328,243)
666	1,024	(1,309)	8,427	(511)	(33,721)	-	13,380	10,843	11,868	12,481	2,088,275
10,505	502,202	1,309	79,983	76,098	33,721	-	168,574	20,096	81,054	73,971	34,148,221
$ 11,171	$ 503,226	$ -	$ 88,410	$ 75,587	$ -	$ -	$ 181,954	$ 30,939	$ 92,922	$ 86,452	$ 36,236,496

Town of Flower Mound, Texas
Library Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Memorials and contributions	$ 10,000	$ 10,000	$ 11,019	$ -	$ 11,019	$ 1,019
Investment earnings	150	150	852	-	852	702
Total Revenue	10,150	10,150	11,871	-	11,871	1,721
EXPENDITURES						
Community services	20,000	20,000	14,593	-	14,593	5,407
Total Expenditures	20,000	20,000	14,593	-	14,593	5,407
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(9,850)	(9,850)	(2,722)	-	(2,722)	7,128
FUND BALANCE, BEGINNING OF YEAR	31,335	31,335	31,335	-	31,335	-
FUND BALANCE, END OF YEAR	$ 21,485	$ 21,485	$ 28,613	$ -	$ 28,613	$ 7,128

Town of Flower Mound, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 5,235,880	$ 5,235,880	$ 5,563,096	$ -	$ 5,563,096	$ 327,216
Investment earnings	60,000	60,000	321,189	-	321,189	261,189
Total Revenue	5,295,880	5,295,880	5,884,285	-	5,884,285	588,405
EXPENDITURES						
Public works	6,619,810	12,169,284	3,465,189	611,336	4,076,525	8,092,759
Total Expenditures	6,619,810	12,169,284	3,465,189	611,336	4,076,525	8,092,759
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,323,930)	(6,873,404)	2,419,096	(611,336)	1,807,760	8,681,164
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,638,275)	(2,638,275)	(2,638,275)	-	(2,638,275)	-
Total Other Financing Sources (Uses)	(2,638,275)	(2,638,275)	(2,638,275)	-	(2,638,275)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(3,962,205)	(9,511,679)	(219,179)	(611,336)	(830,515)	8,681,164
FUND BALANCE, BEGINNING OF YEAR	13,464,211	13,464,211	13,464,211	-	13,464,211	-
FUND BALANCE, END OF YEAR	$ 9,502,006	$ 3,952,532	$ 13,245,032	$(611,336)	$ 12,633,696	$ 8,681,164

Town of Flower Mound, Texas
Park Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 962,236	$ -	962,236	962,236
Investment earnings	20,000	20,000	130,168	-	130,168	110,168
Memorials and contributions	-	-	3,761	-	3,761	3,761
Total Revenue	20,000	20,000	1,096,165	-	1,096,165	1,076,165
EXPENDITURES						
Community services	4,383,690	4,755,305	286,518	(95,768)	190,750	4,564,555
Total Expenditures	4,383,690	4,755,305	286,518	(95,768)	190,750	4,564,555
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,363,690)	(4,735,305)	809,647	95,768	905,415	5,640,720
FUND BALANCE, BEGINNING OF YEAR	4,860,599	4,860,599	4,860,599	-	4,860,599	-
FUND BALANCE, END OF YEAR	$ 496,909	$ 125,294	$ 5,670,246	$ 95,768	$ 5,766,014	$ 5,640,720

Town of Flower Mound, Texas
Tree Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 148,081	$ -	$ 148,081	$ 148,081
Investment earnings	10,000	10,000	44,813	-	44,813	34,813
Total Revenue	10,000	10,000	192,894	-	192,894	182,894
EXPENDITURES						
Community services	172,975	172,975	86,413	23,291	109,704	63,271
Total Expenditures	172,975	172,975	86,413	23,291	109,704	63,271
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(162,975)	(162,975)	106,481	(23,291)	83,190	246,165
OTHER FINANCING SOURCES (USES)						
Transfer out	(20,000)	(220,000)	(200,000)	-	(200,000)	20,000
Total Other Financing Sources (Uses)	(20,000)	(220,000)	(200,000)	-	(200,000)	20,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(182,975)	(382,975)	(93,519)	(23,291)	(116,810)	266,165
FUND BALANCE, BEGINNING OF YEAR	1,885,457	1,885,457	1,885,457	-	1,885,457	-
FUND BALANCE, END OF YEAR	$ 1,702,482	$ 1,502,482	$ 1,791,938	$(23,291)	$ 1,768,647	$ 266,165

Town of Flower Mound, Texas
PEG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Franchise fees	$ 185,000	$ 185,000	$ 197,805	$ -	$ 197,805	$ 12,805
Investment earnings	1,500	1,500	7,930	-	7,930	6,430
Total Revenue	186,500	186,500	205,735	-	205,735	19,235
EXPENDITURES						
Communications	474,976	474,976	51,738	12,140	63,878	411,098
Total Expenditures	474,976	474,976	51,738	12,140	63,878	411,098
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(288,476)	(288,476)	153,997	(12,140)	141,857	430,333
FUND BALANCE, BEGINNING OF YEAR	290,222	290,222	290,222	-	290,222	-
FUND BALANCE, END OF YEAR	$ 1,746	$ 1,746	$ 444,219	$(12,140)	$ 432,079	$ 430,333

Town of Flower Mound, Texas
Dedicated Sales Tax - Street Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,204,240	$ 3,204,240	$ 3,168,134	$ -	$ 3,168,134	$(36,106)
Investment earnings	45,000	45,000	206,206	-	206,206	161,206
Total Revenue	3,249,240	3,249,240	3,374,340	-	3,374,340	125,100
EXPENDITURES						
Public works	8,409,539	9,894,241	2,810,540	1,706,292	4,516,832	5,377,409
Total Expenditures	8,409,539	9,894,241	2,810,540	1,706,292	4,516,832	5,377,409
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,160,299)	(6,645,001)	563,800	(1,706,292)	(1,142,492)	5,502,509
FUND BALANCE, BEGINNING OF YEAR	8,009,313	8,009,313	8,009,313	-	8,009,313	-
FUND BALANCE, END OF YEAR	$ 2,849,014	$ 1,364,312	$ 8,573,113	$(1,706,292)	$ 6,866,821	$ 5,502,509

Town of Flower Mound, Texas
Dedicated Sales Tax - Parks 4B Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,204,240	$ 3,204,240	$ 3,168,134	$ -	$ 3,168,134	$(36,106)
Investment earnings	25,000	25,000	78,487	-	78,487	53,487
Total Revenue	3,229,240	3,229,240	3,246,621	-	3,246,621	17,381
EXPENDITURES						
Community services	4,721,691	5,770,926	2,023,671	(22,689)	2,000,982	3,769,944
Total Expenditures	4,721,691	5,770,926	2,023,671	(22,689)	2,000,982	3,769,944
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,492,451)	(2,541,686)	1,222,950	22,689	1,245,639	3,787,325
OTHER FINANCING SOURCES (USES)						
Operating transfer out	(470,100)	(470,100)	(470,100)	-	(470,100)	-
Total Other Financing Sources (Uses)	(470,100)	(470,100)	(470,100)	-	(470,100)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,962,551)	(3,011,786)	752,850	22,689	775,539	3,787,325
FUND BALANCE, BEGINNING OF YEAR	3,181,345	3,181,345	3,181,345	-	3,181,345	-
FUND BALANCE, END OF YEAR	$ 1,218,794	$ 169,559	$ 3,934,195	$ 22,689	$ 3,956,884	$ 3,787,325

Town of Flower Mound, Texas
Dedicated Sales Tax - Crime District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,188,219	$ 3,188,219	$ 3,146,961	$ -	$ 3,146,961	$(41,258)
Investment earnings	4,000	4,000	16,092	-	16,092	12,092
Other revenue	-	-	-	-	-	-
Total Revenue	3,192,219	3,192,219	3,163,053	-	3,163,053	(29,166)
EXPENDITURES						
Police services	3,489,401	3,531,901	3,101,472	16,508	3,117,980	413,921
Total Expenditures	3,489,401	3,531,901	3,101,472	16,508	3,117,980	413,921
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(297,182)	(339,682)	61,581	(16,508)	45,073	384,755
OTHER FINANCING SOURCES (USES)						
Operating transfer out	-	(1,990)	(1,990)	-	(1,990)	-
Total Other Financing Sources (Uses)	-	(1,990)	(1,990)	-	(1,990)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(297,182)	(341,672)	59,591	(16,508)	43,083	384,755
FUND BALANCE, BEGINNING OF YEAR	1,051,101	1,051,101	1,051,101	-	1,051,101	-
FUND BALANCE, END OF YEAR	$ 753,919	$ 709,429	$ 1,110,692	$(16,508)	$ 1,094,184	$ 384,755

Town of Flower Mound, Texas
Dedicated Sales Tax - Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,172,198	$ 3,172,198	$ 3,129,352	$ -	$ 3,129,352	$(42,846)
Investment earnings	100	100	-	-	-	(100)
Total Revenue	3,172,298	3,172,298	3,129,352	-	3,129,352	(42,946)
EXPENDITURES						
Fire and emergency services	3,054,880	3,074,880	3,038,690	-	3,038,690	36,190
Total Expenditures	3,054,880	3,074,880	3,038,690	-	3,038,690	36,190
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	117,418	97,418	90,662	-	90,662	(6,756)
OTHER FINANCING SOURCES (USES)						
Operating transfer out	-	(50,000)	(50,000)	-	(50,000)	-
Total Other Financing Sources (Uses)	-	(50,000)	(50,000)	-	(50,000)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	117,418	47,418	40,662	-	40,662	(6,756)
FUND BALANCE, BEGINNING OF YEAR	324,595	324,595	324,595	-	324,595	-
FUND BALANCE, END OF YEAR	$ 442,013	$ 372,013	$ 365,257	$ -	$ 365,257	$(6,756)

Town of Flower Mound, Texas
Flower Mound Log Cabin Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Community services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	2,530	2,530	2,530	-	2,530	-
FUND BALANCE, END OF YEAR	$ 2,530	$ 2,530	$ 2,530	$ -	$ 2,530	$ -

Town of Flower Mound, Texas
Police Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 50	$ 50	$ 666	$ -	$ 666	$ 616
Total Revenue	50	50	666	-	666	616
EXPENDITURES						
Police services	2,200	2,200	-	-	-	2,200
Total Expenditures	2,200	2,200	-	-	-	2,200
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,150)	(2,150)	666	-	666	2,816
FUND BALANCE, BEGINNING OF YEAR	10,505	10,505	10,505	-	10,505	-
FUND BALANCE, END OF YEAR	$ 8,355	$ 8,355	$ 11,171	$ -	$ 11,171	$ 2,816

Town of Flower Mound, Texas
IRS Equitable Sharing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 1,000	$ 1,000	$ 11,944	$ -	$ 11,944	$ 10,944
Total Revenue	1,000	1,000	11,944	-	11,944	10,944
EXPENDITURES						
Police services	491,000	491,000	10,920	-	10,920	480,080
Total Expenditures	491,000	491,000	10,920	-	10,920	480,080
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(490,000)	(490,000)	1,024	-	1,024	491,024
FUND BALANCE, BEGINNING OF YEAR	502,202	502,202	502,202	-	502,202	-
FUND BALANCE, END OF YEAR	$ 12,202	$ 12,202	$ 503,226	$ -	$ 503,226	$ 491,024

Town of Flower Mound, Texas
Justice Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Police services	1,309	1,309	1,309	-	1,309	-
Total Expenditures	1,309	1,309	1,309	-	1,309	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,309)	(1,309)	(1,309)	-	(1,309)	-
FUND BALANCE, BEGINNING OF YEAR	1,309	1,309	1,309	-	1,309	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -	$ -

Town of Flower Mound, Texas
Chapter 59 Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 11,763	$ -	$ 11,763	$ 11,763
Other revenue			-	-	-	-
Total Revenue	-	-	11,763	-	11,763	11,763
EXPENDITURES						
Police services	30,000	30,000	3,336	-	3,336	26,664
Total Expenditures	30,000	30,000	3,336	-	3,336	26,664
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(30,000)	(30,000)	8,427	-	8,427	38,427
FUND BALANCE, BEGINNING OF YEAR	79,983	79,983	79,983	-	79,983	-
FUND BALANCE, END OF YEAR	$ 49,983	$ 49,983	$ 88,410	$ -	$ 88,410	$ 38,427

Town of Flower Mound, Texas
Animal Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 350	$ 350	$ 1,811	$ -	$ 1,811	$ 1,461
Memorials and contributions	8,000	8,000	8,389	-	8,389	389
Total Revenue	8,350	8,350	10,200	-	10,200	1,850
EXPENDITURES						
Police services	30,500	30,500	10,711	-	10,711	19,789
Total Expenditures	30,500	30,500	10,711	-	10,711	19,789
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(22,150)	(22,150)	(511)	-	(511)	21,639
FUND BALANCE, BEGINNING OF YEAR	76,098	76,098	76,098	-	76,098	-
FUND BALANCE, END OF YEAR	$ 53,948	$ 53,948	$ 75,587	$ -	$ 75,587	$ 21,639

Town of Flower Mound, Texas
CDBG-HUD Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ 192,892	$ 192,892	$ 167,304	$ -	$ 167,304	$(25,588)
Other Revenue	-	-	24,700	-	24,700	24,700
Total Revenue	192,892	192,892	192,004	-	192,004	(888)
EXPENDITURES						
Community Services	192,892	296,633	225,725	-	225,725	70,908
Total Expenditures	192,892	296,633	225,725	-	225,725	70,908
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(103,741)	(33,721)	-	(33,721)	70,020
FUND BALANCE, BEGINNING OF YEAR	33,721	33,721	33,721	-	33,721	-
FUND BALANCE, END OF YEAR	$ 33,721	$(70,020)	$ -	$ -	$ -	$ 70,020

Town of Flower Mound, Texas
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 20,495	$ 8,171	$ -	$ 8,171	$(12,324)
Other revenue	-	500	500	-	500	-
Total Revenue	-	20,995	8,671	-	8,671	(12,324)
EXPENDITURES						
Community services	-	1,918	1,550	-	1,550	368
Police services	-	22,669	14,243	-	14,243	8,426
Fire and emergency services	-	-	-	-	-	-
Total Expenditures	-	24,587	15,793	-	15,793	8,794
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(3,592)	(7,122)	-	(7,122)	(3,530)
OTHER FINANCING SOURCES (USES)						
Transfer in	-	3,592	7,122	-	7,122	3,530
Total Other Financing Sources (Uses)	-	3,592	7,122	-	7,122	3,530
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -	$ -

Town of Flower Mound, Texas
Neighborhood Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Charges for services	$ 75,000	$ 75,000	$ 50,697	$ -	$ 50,697	$(24,303)
Investment earnings	750	750	4,354	-	4,354	3,604
Other revenue	300	300	286	-	286	(14)
Total Revenue	76,050	76,050	55,337	-	55,337	(20,713)
EXPENDITURES						
Public works	160,000	160,000	66,957	(24,326)	42,631	117,369
Total Expenditures	160,000	160,000	66,957	(24,326)	42,631	117,369
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(83,950)	(83,950)	(11,620)	24,326	12,706	96,656
OTHER FINANCING SOURCES (USES)						
Operating transfer in	25,000	25,000	25,000	-	25,000	-
Total Other Financing Sources (Uses)	25,000	25,000	25,000	-	25,000	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(58,950)	(58,950)	13,380	24,326	37,706	96,656
FUND BALANCE, BEGINNING OF YEAR	168,574	168,574	168,574	-	168,574	-
FUND BALANCE, END OF YEAR	$ 109,624	$ 109,624	$ 181,954	$ 24,326	$ 206,280	$ 96,656

Town of Flower Mound, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Hotel occupancy tax	$ 330,000	$ 348,310	$ 348,307	$ -	$ 348,307	$(3)
Investment earnings	300	300	2,215	-	2,215	1,915
Total Revenue	330,300	348,610	350,522	-	350,522	1,912
EXPENDITURES						
Community Services	300,000	340,000	339,679	-	339,679	321
Total Expenditures	300,000	340,000	339,679	-	339,679	321
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	30,300	8,610	10,843	-	10,843	2,233
FUND BALANCE, BEGINNING OF YEAR	20,096	20,096	20,096	-	20,096	-
FUND BALANCE, END OF YEAR	$ 50,396	$ 28,706	$ 30,939	$ -	$ 30,939	$ 2,233

Town of Flower Mound, Texas
Municipal Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 28,905	$ 28,905	$ 22,873	$ -	$ 22,873	$(6,032)
Investment earnings	250	250	2,101	-	2,101	1,851
Total Revenue	29,155	29,155	24,974	-	24,974	(4,181)
EXPENDITURES						
Financial services	33,000	33,000	13,106	-	13,106	19,894
Total Expenditures	33,000	33,000	13,106	-	13,106	19,894
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,845)	(3,845)	11,868	-	11,868	15,713
FUND BALANCE, BEGINNING OF YEAR	81,054	81,054	81,054	-	81,054	-
FUND BALANCE, END OF YEAR	$ 77,209	$ 77,209	$ 92,922	$ -	$ 92,922	$ 15,713

Town of Flower Mound, Texas
Municipal Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 38,540	$ 38,540	$ 30,497	$ -	$ 30,497	$(8,043)
Investment earnings	300	300	2,088	-	2,088	1,788
Total Revenue	38,840	38,840	32,585	-	32,585	(6,255)
EXPENDITURES						
Financial services	34,440	34,440	20,104	-	20,104	14,336
Total Expenditures	34,440	34,440	20,104	-	20,104	14,336
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	4,400	4,400	12,481	-	12,481	8,081
FUND BALANCE, BEGINNING OF YEAR	73,971	73,971	73,971	-	73,971	-
FUND BALANCE, END OF YEAR	$ 78,371	$ 78,371	$ 86,452	$ -	$ 86,452	$ 8,081

Town of Flower Mound, Texas
Combining Statement of Net Position
All Internal Service Funds
September 30, 2019

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,255,157	$ 4,914,778	$ 7,169,935
Investments	2,603,407	5,427,248	8,030,655
Receivables (net of allowances for estimated uncollectibles):			
Accounts	233,858		233,858
Prepaids			-
Total current assets	5,092,422	10,342,026	15,434,448
Total Assets	5,092,422	10,342,026	15,434,448
LIABILITIES			
Current liabilities:			
Accounts payable	208,878	61,725	270,603
Estimated health claims	1,248,347	-	1,248,347
Total current liabilities	1,457,225	61,725	1,518,950
Total Liabilities	1,457,225	61,725	1,518,950
NET POSITION			
Unrestricted	3,635,197	10,280,301	13,915,498
Total net position	$ 3,635,197	$ 10,280,301	$ 13,915,498

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
All Internal Service Funds
For the Year Ended September 30, 2019

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
Operating revenues:			
Charges for services	$ 9,442,295	$ 2,409,445	$ 11,851,740
Other	-	243,989	243,989
Total operating revenue	9,442,295	2,653,434	12,095,729
Operating expenses:			
Maintenance and operations	-	1,762,392	1,762,392
Health insurance and flexible benefits	8,918,550	-	8,918,550
Total operating expenses	8,918,550	1,762,392	10,680,942
Operating income	523,745	891,042	1,414,787
Nonoperating revenues (expenses):			
Interest income	115,431	230,229	345,660
Total nonoperating revenue (expenses)	115,431	230,229	345,660
Income before contributions and transfers	639,176	1,121,271	1,760,447
Transfers in	15,000	-	15,000
Transfers out	-	-	-
Change in net position	654,176	1,121,271	1,775,447
Total net position - beginning	2,981,021	9,159,030	12,140,051
Total net position - ending	$ 3,635,197	$ 10,280,301	$ 13,915,498

Town of Flower Mound, Texas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2019

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from transactions with other funds	$ 9,404,422	$ 2,653,434	$ 12,057,856
Cash paid for goods and services	(3,103,086)	(1,824,905)	(4,927,991)
Cash paid for claims	(5,992,067)	-	(5,992,067)
Net cash provided by operating activities	309,269	828,529	1,137,798
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	15,000	-	15,000
Net cash provided (used) by capital and related financing activities	15,000	-	15,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	575,706	1,373,513	1,949,219
Purchase of investment securities	(1,052,703)	(2,432,423)	(3,485,126)
Interest received	115,431	230,229	345,660
Net cash provided (used) by investing activities	(361,566)	(828,681)	(1,190,247)
Net increase in cash and cash equivalents	(37,297)	(152)	(37,449)
Cash and cash equivalents, October 1	2,292,454	4,914,930	7,207,384
Cash and cash equivalents, September 30	$ 2,255,157	$ 4,914,778	$ 7,169,935
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ 523,745	$ 891,042	$ 1,414,787
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in assets and liabilities			
Decrease (Increase) in trade receivables	(37,873)	-	(37,873)
Decrease (Increase) in prepaids	-	-	-
Increase (Decrease) in accounts payable and accrued liabilities	(176,603)	(62,513)	(239,116)
Total adjustments	(214,476)	(62,513)	(276,989)
Net cash provided by operating activities	$ 309,269	$ 828,529	$ 1,137,798

Town of Flower Mound, Texas
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2019

River Walk Public Improvement District Number 1

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
ASSETS				
Cash and cash equivalents	$ 2,009,751	$ 46,923	$ -	$ 2,056,674
Total Assets	$ 2,009,751	$ 46,923	$ -	$ 2,056,674
LIABILITIES				
Due to debt holders	$ 2,009,751	$ 46,923	$ -	$ 2,056,674
Total Liabilities	$ 2,009,751	$ 46,923	$ -	$ 2,056,674

TOWN OF FLOWER MOUND, TEXAS
STATISTICAL SECTION

This part of the Town of Flower Mound's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 118

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 126

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 132

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 137

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 138

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Flower Mound, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	$ 149,306,586	$ 164,563,774	$ 172,020,155	$ 174,861,739
Restricted	2,203,515	17,588,195	17,757,582	20,180,671
Unrestricted	30,910,945	23,164,152	25,267,896	27,409,576
Total governmental activities net position	$ 182,421,046	$ 205,316,121	$ 215,045,633	$ 222,451,986
Business-type activities				
Net investment in capital assets	$ 100,514,085	$ 103,218,876	$ 102,005,067	$ 106,498,263
Restricted	1,197,447	1,198,538	1,223,727	1,223,917
Unrestricted	9,795,962	9,602,754	12,590,602	17,123,746
Total business-type activities net position	$ 111,507,494	$ 114,020,168	$ 115,819,396	$ 124,845,926
Primary government				
Net investment in capital assets	$ 249,820,671	$ 267,782,650	$ 274,025,222	$ 281,360,002
Restricted	3,400,962	18,786,733	18,981,309	21,404,588
Unrestricted	40,706,907	32,766,906	37,858,498	44,533,322
Total primary government net position	$ 293,928,540	$ 319,336,289	$ 330,865,029	$ 347,297,912

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 175,530,741	$ 188,789,944	$ 202,543,406	$ 230,421,353	$ 271,744,498	$ 274,850,281
23,945,799	25,308,366	27,217,009	36,676,874	40,469,469	42,179,244
29,465,747	31,910,667	28,577,413	16,371,786	8,344,796	30,563,245
$ 228,942,287	$ 246,008,977	$ 258,337,828	$ 283,470,013	$ 320,558,763	$ 347,592,770
$ 110,430,392	$ 118,357,125	$ 126,551,908	$ 138,553,283	$ 145,749,885	$ 159,402,047
1,226,993	1,227,110	-	-	-	-
17,731,386	19,427,428	18,002,680	16,986,793	21,282,106	16,697,014
$ 129,388,771	$ 139,011,663	$ 144,554,588	$ 155,540,076	$ 167,031,991	$ 176,099,061
$ 285,961,133	$ 307,147,069	$ 329,095,314	$ 368,974,636	$ 417,494,383	$ 434,252,328
25,172,792	26,535,476	27,217,009	36,676,874	40,469,469	42,179,244
47,197,133	51,338,095	46,580,093	33,358,579	29,626,902	47,260,259
$ 358,331,058	$ 385,020,640	$ 402,892,416	$ 439,010,089	$ 487,590,754	$ 523,691,831

Town of Flower Mound, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities:				
Town manager's office	$ 2,924,847	$ 2,211,951	$ 2,225,089	$ 2,956,131
Legislative services	490,110	366,660	577,174	449,368
Development services	1,575,214	1,527,053	1,787,947	1,468,228
Community services	8,450,285	10,094,994	9,815,410	5,267,225
Library services	-	-	-	-
Police services	12,233,450	11,978,943	12,620,079	12,933,686
Financial services	7,115,042	7,267,627	2,499,834	3,018,407
Administrative services	-	-	-	4,294,715
Fire and emergency services	14,026,937	7,950,664	7,011,824	11,547,693
Communications	780,340	721,633	703,379	759,179
Public works	10,588,457	14,395,448	19,164,674	16,262,619
Environmental services	-	-	-	1,236,085
Debt Service	3,758,611	3,261,518	3,937,428	2,891,717
Total governmental activities expenses	61,943,293	59,776,491	60,342,838	63,085,053
Business-type activities:				
Utilities	31,004,011	33,938,877	35,125,994	33,724,163
Total business-type activities expenses	31,004,011	33,938,877	35,125,994	33,724,163
Total primary government expenses	$ 92,947,304	$ 93,715,368	$ 95,468,832	$ 96,809,216
Program Revenues				
Governmental activities:				
Charges for services:				
Town manager's office	$ -	$ -	$ -	$ -
Legislative services	1,585	15,760	17,000	16,772
Development services	840,467	1,100,871	1,256,583	1,412,470
Community services	2,427,458	2,268,282	2,418,121	2,169,119
Police services	161,198	286,325	328,074	344,166
Financial services	1,747,688	1,560,097	1,231,702	1,139,421
Fire and emergency services	709,013	701,182	682,030	666,312
Public works	161,787	306,217	143,719	655,318
Environmental services	-	-	-	436,823
Operating grants and contributions	1,741,947	1,590,012	1,370,171	872,869
Capital grants and contributions	14,694,695	20,356,722	6,950,033	4,711,880
Total governmental activities program revenues	22,485,838	28,185,468	14,397,433	12,425,150
Business-type activities:				
Charges for services:				
Utilities	28,990,797	36,366,181	35,480,457	37,326,725
Capital grants and contributions	2,541,430	2,029,529	2,752,595	7,267,043
Total business-type activities program revenues	31,532,227	38,395,710	38,233,052	44,593,768
Total primary government program revenues	$ 54,018,065	$ 66,581,178	$ 52,630,485	$ 57,018,918
Net (expense)/revenue				
Governmental activities	$ (39,457,455)	$ (31,591,023)	$ (45,945,405)	$ (50,659,903)
Business-type activities	528,216	4,456,833	3,107,058	10,869,605
Total primary government net expense	$ (38,929,239)	$ (27,134,190)	$ (42,838,347)	$ (39,790,298)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 32,210,431	$ 31,661,618	$ 31,932,907	$ 32,193,718
Sales tax	13,381,422	14,426,184	15,915,949	17,146,819
Occupancy tax	-	-	-	-
Franchise tax	4,076,718	5,238,450	5,049,148	5,021,948
Alcoholic beverage taxes	104,195	109,980	99,521	106,426
Investment earnings	187,569	86,340	160,366	175,524
Miscellaneous	523,768	826,903	945,387	1,404,910
Transfers	1,074	2,136,623	1,571,639	2,016,911
Total governmental activities	50,485,177	54,486,098	55,674,917	58,066,256
Business-type activities:				
Investment earnings	54,031	30,939	46,397	53,425
Miscellaneous	70,247	161,525	217,412	120,411
Transfers	(1,074)	(2,136,623)	(1,571,639)	(2,016,911)
Total business-type activities	123,204	(1,944,159)	(1,307,830)	(1,843,075)
Total primary government	$ 50,608,381	$ 52,541,939	$ 54,367,087	$ 56,223,181
Change in Net Position				
Governmental activities	$ 11,027,722	$ 22,895,075	$ 9,729,512	$ 7,406,353
Business-type activities	651,420	2,512,674	1,799,228	9,026,530
Total primary government	$ 11,679,142	$ 25,407,749	$ 11,528,740	$ 16,432,883

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 2,648,162	$ 2,710,185	$ 2,794,319	$ 2,931,578	$ 3,201,156	$ 3,273,180
368,095	420,248	452,165	664,969	1,041,158	524,126
2,123,293	2,127,945	2,190,178	2,293,593	3,056,531	1,983,306
11,264,282	13,099,658	7,220,132	13,082,357	6,743,384	12,344,192
-	-	-	-	-	1,896,889
13,667,054	13,636,237	14,942,215	15,684,683	17,070,265	18,964,282
3,507,742	3,410,121	3,619,248	3,655,549	2,584,378	4,000,678
4,310,194	5,401,704	5,490,036	5,883,895	5,870,601	6,038,018
12,504,864	13,404,744	16,043,210	17,298,859	16,762,366	20,916,756
747,360	835,127	816,871	784,921	736,150	806,512
12,291,758	1,480,041	18,685,536	12,763,676	16,572,455	10,155,359
1,173,832	1,309,252	1,417,981	1,514,141	1,515,323	1,487,918
1,758,611	2,048,454	2,166,224	1,976,019	2,510,411	2,449,547
66,365,247	59,883,716	75,838,115	78,534,240	77,664,178	84,840,763
35,419,015	37,704,865	41,019,967	39,100,879	43,265,124	42,723,810
35,419,015	37,704,865	41,019,967	39,100,879	43,265,124	42,723,810
$ 101,784,262	$ 97,588,581	$ 116,858,082	$ 117,635,119	$ 120,929,302	$ 127,564,573
$ 2,500	$ -	$ 99,045	$ 26,399	$ 37,807	$ 23,847
16,365	13,917	16,314	25,308	23,448	25,519
1,687,584	2,047,297	2,041,912	2,360,325	2,310,183	2,157,785
2,188,035	2,300,345	2,340,095	2,389,950	3,984,991	3,657,765
399,995	441,151	448,882	516,711	536,449	906,899
1,079,118	939,602	829,306	1,014,759	1,309,723	1,100,410
781,113	892,032	878,476	1,306,594	1,342,585	1,521,255
532,904	442,777	780,723	533,319	381,088	438,973
426,704	458,834	486,364	483,490	435,039	207,400
2,000,918	2,248,278	1,561,498	2,667,162	374,203	183,013
2,081,922	2,313,210	9,079,280	15,883,383	22,774,091	13,214,793
11,197,158	12,097,443	18,561,895	27,207,400	33,509,607	23,437,659
37,854,941	37,913,395	39,717,976	42,267,497	46,091,632	42,418,217
4,732,349	9,822,924	8,098,696	9,222,359	9,988,175	9,103,720
42,587,290	47,736,319	47,816,672	51,489,856	56,079,807	51,521,937
$ 53,784,448	$ 59,833,762	$ 66,378,567	$ 78,697,256	$ 89,589,414	$ 74,959,596
$ (55,168,089)	$ (47,786,273)	$ (57,276,220)	$ (51,326,840)	$ (44,154,571)	$ (61,403,104)
7,168,275	10,031,454	6,796,705	12,388,977	12,814,683	8,798,127
$ (47,999,814)	$ (37,754,819)	$ (50,479,515)	$ (38,937,863)	$ (31,339,888)	$ (52,604,977)
$ 33,798,797	$ 36,055,874	$ 39,266,228	$ 43,632,879	$ 47,498,500	$ 51,056,486
18,583,674	20,559,174	21,459,819	23,612,871	24,282,172	25,286,435
1,012	142	-	4,151	295,026	348,307
6,005,446	6,351,221	5,810,150	5,617,437	6,082,737	6,370,168
141,822	157,443	210,589	217,777	253,845	245,537
85,606	87,924	277,366	710,654	1,768,842	2,791,043
1,807,192	1,516,422	698,314	662,960	967,743	1,120,705
2,091,892	2,017,494	1,882,605	2,000,296	2,009,653	1,218,430
62,515,441	66,745,694	69,605,071	76,459,025	83,158,518	88,437,111
29,734	35,434	105,338	275,492	627,308	1,097,353
346,657	1,841,791	523,487	321,315	369,510	390,020
(2,091,892)	(2,017,494)	(1,882,605)	(2,000,296)	(2,009,653)	(1,218,430)
(1,715,501)	(140,269)	(1,253,780)	(1,403,489)	(1,012,835)	268,943
$ 60,799,940	$ 66,605,425	$ 68,351,291	$ 75,055,536	$ 82,145,683	$ 88,706,054
$ 7,347,352	$ 18,959,421	$ 12,328,851	$ 25,132,185	$ 39,003,947	$ 27,034,007
5,452,774	9,891,185	5,542,925	10,985,488	11,801,848	9,067,070
$ 12,800,126	$ 28,850,606	$ 17,871,776	$ 36,117,673	$ 50,805,795	$ 36,101,077

Town of Flower Mound, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
General fund				
Reserved	$ 217,832	$ -	$ -	$ -
Unreserved	8,753,080	-	-	-
Nonspendable	-	225,468	242,213	294,020
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	9,562,731	10,824,943	13,882,263
Total general fund	$ 8,970,912	$ 9,788,199	$ 11,067,156	$ 14,176,283
All other governmental funds				
Reserved	$ 4,564,996	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	8,416,258	-	-	-
Capital projects fund	5,660,921	-	-	-
Restricted	-	19,533,215	19,548,584	22,185,637
Committed	-	3,245,492	4,069,793	4,095,764
Unassigned	-	(8,006)	(8,007)	(8,007)
Total all other governmental funds	$ 18,642,175	$ 22,770,701	$ 23,610,370	$ 26,273,394

Note: The Town of Flower Mound adopted GASB Statement 54 in fiscal year 2011 requiring new classifications for Fund Balance reporting.

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
240,930	336,250	927,238	604,846	743,791	655,344
-	-	-	-	-	400,000
-	-	-	-	2,146,865	3,745,079
15,893,121	16,553,717	15,256,717	16,493,062	16,053,558	16,670,607
$ 16,134,051	$ 16,889,967	$ 16,183,955	$ 17,097,908	$ 18,944,214	$ 21,471,030
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
25,212,644	32,125,157	34,876,744	59,384,479	63,258,446	62,512,244
5,072,505	5,457,481	6,251,679	7,733,984	9,848,445	10,032,496
-	3,081,272	3,794,488	-	-	-
$ 30,285,149	$ 40,663,910	$ 44,922,911	$ 67,118,463	$ 73,106,891	$ 72,544,740

Town of Flower Mound, Texas
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Revenues				
Taxes				
Ad valorem	$ 32,230,568	$ 31,668,848	$ 31,955,742	$ 32,159,454
Sales	13,381,422	14,426,184	15,915,949	17,146,819
Franchise	4,494,822	4,939,226	5,057,676	6,559,151
Alcoholic beverage	104,195	109,980	99,521	106,426
Hotel Occupancy	-	-	-	-
Licenses, permits and fees	1,598,838	1,721,952	1,879,265	2,036,212
Intergovernmental	13,892,045	19,976,920	6,697,246	3,066,415
Impact fees	680,384	1,093,466	1,034,920	1,904,763
Charges for services	2,542,977	2,676,767	2,753,398	3,392,698
Fines and forfeits	1,696,506	1,564,194	1,303,429	1,119,096
Investment earnings	166,224	70,937	131,535	142,529
Memorials and contributions	206,205	851,083	611,182	505,242
Other revenue	1,168,561	847,164	1,090,330	1,666,560
Total revenues	72,162,747	79,946,721	68,530,193	69,805,365
Expenditures				
Current				
Administrative services	-	-	-	4,079,982
Town manager's office	2,916,310	2,218,603	2,208,400	2,958,456
Legislative services	529,812	357,739	419,296	438,717
Development services	1,494,131	1,494,458	1,481,455	1,543,838
Community services	8,469,968	8,840,667	9,207,716	9,048,666
Library services	-	-	-	-
Police services	11,551,929	11,332,672	11,590,875	12,159,009
Financial services	7,228,578	7,269,434	7,337,097	3,206,447
Fire and Emergency services	9,628,001	10,481,637	10,021,633	10,676,869
Communications	758,383	713,805	699,662	844,341
Infrastructure services	4,161,106	5,872,840	6,852,539	-
Public works	-	-	-	5,380,029
Environmental services	-	-	-	1,193,517
Capital projects	18,709,895	16,776,698	7,639,100	7,488,000
Debt service				
Principal	4,554,000	4,990,000	5,090,000	5,620,000
Interest and fiscal charges	3,754,713	3,359,412	3,335,658	2,983,902
Total expenditures	73,756,826	73,707,965	65,883,431	67,621,773
Excess of revenues over (under) expenditures	(1,594,079)	6,238,756	2,646,762	2,183,592
Other financing sources (uses)				
Issuance of general debt obligation	3,380,000	-		2,940,000
Refunded bonds issued	7,635,000	-	4,360,000	2,015,000
Premium on bonds	88,981	-	151,390	215,430
Payment to escrow	(7,631,320)	-	(4,653,356)	(2,015,000)
Transfers in	1,031,822	2,323,144	4,093,735	3,547,395
Transfers out	(1,858,112)	(3,616,087)	(4,479,905)	(3,114,266)
Total other financing sources (uses)	2,646,371	(1,292,943)	(528,136)	3,588,559
Net change in fund balances	$ 1,052,292	$ 4,945,813	$ 2,118,626	$ 5,772,151
Debt service as a percentage of noncapital expenditures	16.07%	17.12%	16.41%	15.81%

Fiscal Year						
2014	2015	2016	2017	2018	2019
$ 33,708,595	$ 36,027,958	$ 39,190,207	$ 43,677,863	$ 47,496,936	$ 51,054,324
18,583,674	20,559,174	21,459,819	23,612,871	24,282,172	25,286,435
5,876,564	6,263,322	5,810,149	5,741,937	6,050,502	6,174,213
141,822	157,443	210,589	217,777	253,845	245,537
1,012	142	-	4,151	295,026	348,307
2,491,454	2,660,155	2,884,561	4,046,052	4,415,494	3,546,973
1,058,702	810,727	1,072,176	1,209,747	7,868,976	2,031,979
1,736,534	2,064,618	1,890,116	1,260,099	1,932,157	1,090,371
3,369,519	3,526,909	3,898,400	3,942,536	4,088,750	4,285,285
1,123,235	2,008,030	953,395	1,080,787	1,435,162	1,179,495
71,183	74,421	242,860	630,619	1,578,256	2,445,383
1,396,978	1,069,943	1,260,516	1,126,082	69,743	47,018
1,813,713	1,534,940	811,828	864,237	1,072,625	1,129,952
71,372,985	76,757,782	79,684,616	87,414,758	100,839,644	98,865,272
4,235,855	5,336,457	5,506,250	5,760,794	5,827,091	5,966,431
2,635,992	2,690,460	2,750,950	2,896,132	3,175,070	3,210,344
358,625	408,533	433,984	492,664	480,450	500,810
1,870,022	1,923,021	1,975,057	2,179,452	2,250,563	1,954,622
10,141,048	14,133,521	14,500,298	12,262,792	14,408,210	10,864,818
-	-	-	-	-	1,822,047
12,839,258	14,607,856	14,999,695	15,409,491	16,507,737	17,857,411
3,238,724	3,297,105	3,319,541	3,408,226	3,326,780	3,664,878
12,066,007	13,153,346	15,421,455	17,761,446	18,645,235	18,544,641
748,135	827,105	883,205	706,255	732,237	720,241
-	-	-	-	-	-
6,170,269	4,968,970	6,716,275	8,342,275	7,068,851	11,108,493
1,153,293	1,283,872	1,372,669	1,457,040	1,496,868	1,458,742
2,423,620	3,421,644	5,702,293	11,278,456	26,506,531	15,197,860
5,885,000	6,365,000	6,395,000	6,925,000	9,270,000	9,665,000
3,196,560	4,974,162	2,513,803	2,407,368	3,020,353	3,080,152
66,962,408	77,391,052	82,490,475	91,287,391	112,715,976	105,616,490
4,410,577	(633,270)	(2,805,859)	(3,872,633)	(11,876,332)	(6,751,218)
460,000	6,985,000	3,880,000	22,815,000	16,665,000	6,050,000
5,245,000	20,170,000	8,525,000	-	-	-
495,142	3,396,053	1,755,420	2,197,443	1,051,413	873,403
(5,245,000)	(20,170,000)	(9,653,577)	-	-	-
3,223,159	2,398,358	5,107,928	2,729,452	6,056,482	7,752,977
(2,619,355)	(1,011,464)	(3,255,923)	(759,756)	(4,061,829)	(5,960,497)
1,558,946	11,767,947	6,358,848	26,982,139	19,711,066	8,715,883
$ 5,969,523	$ 11,134,677	$ 3,552,989	$ 23,109,506	$ 7,834,734	$ 1,964,665
16.28%	19.08%	16.43%	13.07%	16.74%	16.38%

Town of Flower Mound, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2010	7,079,872,469	557,828,103	721,593,220	6,916,107,352	0.4497
2011	6,947,804,480	656,137,484	836,482,444	6,767,459,520	0.4497
2012	7,038,937,695	713,189,642	854,245,457	6,897,881,880	0.4497
2013	7,064,354,700	711,081,059	865,737,581	6,909,698,178	0.4497
2014	7,334,383,104	785,024,308	894,558,609	7,224,848,803	0.4497
2015	7,993,458,807	842,357,983	999,503,936	7,836,312,854	0.4390
2016	8,771,603,727	892,336,206	1,013,378,573	8,650,561,360	0.4390
2017	9,495,030,344	1,040,667,578	1,136,774,763	9,398,923,159	0.4390
2018	10,366,832,694	1,127,919,242	1,164,318,055	10,330,433,881	0.4390
2019	11,242,157,569	1,210,276,383	1,277,805,694	11,174,628,258	0.4390

Town of Flower Mound, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	Town of Flower Mound			Overlapping Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Lewisville Independent School District	Argyle Independent School District	Denton Independent School District	Northwest Independent School District	Denton County	Total Direct and Overlapping Rates *
2010	0.33089	0.11882	0.44970	1.40870	1.41005	1.49000	1.35500	0.24980	2.10820
2011	0.32310	0.12660	0.44970	1.42670	1.44005	1.53000	1.37500	0.27390	2.15030
2012	0.32670	0.12300	0.44970	1.42600	1.46005	1.53000	1.37500	0.27736	2.15306
2013	0.33265	0.11705	0.44970	1.45300	1.48005	1.53000	1.37500	0.28287	2.18557
2014	0.33367	0.11603	0.44970	1.47700	1.47505	1.53000	1.45250	0.28491	2.21161
2015	0.33535	0.10365	0.43900	1.47700	1.57005	1.54000	1.45250	0.27220	2.18820
2016	0.33117	0.10783	0.43900	1.47673	1.57005	1.54000	1.45250	0.26200	2.17773
2017	0.33767	0.10133	0.43900	1.42000	1.57005	1.54000	1.45250	0.24841	2.10741
2018	0.33970	0.09930	0.43900	1.40750	1.58505	1.54000	1.49000	0.23781	2.08431
2019	0.34647	0.09253	0.43900	1.40750	1.58505	1.54000	1.49000	0.22557	2.07207

* Total Direct and Overlapping Rates include Town of Flower Mound, Lewisville Independent School District and Denton County since the majority of property tax payers are in the Lewisville Independent School District. Those who are in the other School Districts total rate will vary accordingly

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	FY 2018-2019			FY 2009-2010		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Azure Lakeside LP	$ 95,266,589	1	0.85%	$ -		-
Elan Flower Mound Phase II Venture LLC	49,937,637	2	0.45%	-		-
Flower Mound Hospital Partners, LLC	46,758,187	3	0.42%	-		-
IVT Highlands at Flower Mound, LP	41,310,439	4	0.37%	-		-
Robertson Creek Dunhill LLC	41,031,576	5	0.37%	-		-
Duke Realty LP	38,500,000	6	0.34%	-		-
Highland 501 (C)(25), Inc	37,430,522	7	0.33%	-		-
Health Care Reit, Inc	37,104,732	8	0.33%	-		-
LIT Industrial Texas LTD PS	37,030,560	9	0.33%	-		-
CWS Tridge McKinney LP & SAP Timber Ridge LLC	34,836,646	10	0.31%	-		-
SFT Industrial LP	-		-	25,184,897	1	0.36%
Archstone Lexington Apartments LP	-		-	24,990,000	2	0.36%
FMBP Industrial LP	-		-	22,167,000	3	0.32%
FVLAC Lantana LP ETAL				21,573,034	4	0.31%
CS Lakeside 20 LTD LLLP	-		-	20,963,880	5	0.30%
Parker Prop 800 LTD P/S	-		-	20,166,061	6	0.29%
Prologis	-		-	19,145,455	7	0.28%
Oncor Elec Delivery Co FKA: TXU U	-		-	18,403,060	8	0.27%
Inland American Flower Mound Cross Timbers LTD PS				17,955,936	9	0.26%
SFERS Real Estate Corp MM	-		-	17,882,543	10	0.26%
Totals	$ 459,206,888		4.11%	$ 208,431,866		3.01%

Source: Denton Central Appraisal District

Town of Flower Mound, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Tax Levy for Fiscal Year
2010	30,856,937	680,635	31,537,572
2011	30,410,708	667,732	31,078,440
2012	31,063,353	182,710	31,246,063
2013	30,665,635	746,701	31,412,336
2014	32,304,047	413,851	32,717,898
2015	34,024,901	588,954	34,613,855
2016	37,680,177	164,087	37,844,264
2017	40,193,742	1,711,931	41,905,673
2018	44,774,562	769,467	45,544,029
2019	48,272,632	924,639	49,197,271

Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
Amount	Percentage of Levy	Years	Amount	Percentage of Levy
31,249,137	99.09%	275,574	31,524,711	99.96%
30,764,592	98.99%	301,415	31,066,007	99.96%
30,967,837	99.11%	267,772	31,235,609	99.97%
31,137,474	99.12%	248,046	31,385,520	99.91%
32,418,832	99.09%	268,757	32,687,589	99.91%
34,385,162	99.34%	191,291	34,576,453	99.89%
37,654,594	99.50%	141,197	37,795,791	99.87%
41,803,234	99.76%	49,584	41,852,818	99.87%
45,599,813	100.12%	(120,106)	45,479,707	99.86%
49,058,100	99.72%	-	49,058,100	99.72%

Town of Flower Mound, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Total Primary Government	Percentage of Personal Income *	Per Capita *
2010	63,925,000	19,555,443	1,535,000	39,439,557	9,490,000	133,945,000	3.31%	2,071
2011	60,200,000	18,290,443	1,535,000	40,879,557	8,615,000	129,520,000	3.06%	1,999
2012	56,525,000	16,875,443	4,430,000	42,829,557	7,710,000	128,370,000	2.90%	1,973
2013	53,724,667	18,963,220	5,307,373	48,365,641	6,715,017	133,075,918	2.92%	2,028
2014	49,187,468	17,746,211	6,425,025	59,310,139	5,747,871	138,416,714	2.95%	2,093
2015	47,794,421	20,507,646	7,177,458	62,926,918	4,740,726	143,147,169	2.86%	2,142
2016	45,938,356	20,340,514	20,054,833	59,557,648	-	145,891,351	2.84%	2,144
2017	39,712,050	44,112,315	25,113,546	58,072,477	-	167,010,388	3.10%	2,324
2018	33,065,745	58,507,859	21,382,846	59,436,958	-	172,393,408	3.08%	2,357
2019	26,706,289	61,381,719	17,177,145	80,130,019	-	185,395,172	-	2,438

* Population and Personal Income figures are listed on the Demographic and Economic Statistics

Town of Flower Mound, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Debt	Business-type Debt	Total Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property *	Per Capita **
2010	83,480,443	40,974,557	124,455,000	485,190	123,969,810	1.79%	1,917
2011	78,490,443	42,414,557	120,905,000	581,383	120,323,617	1.78%	1,857
2012	73,400,443	47,259,557	120,660,000	446,178	120,213,822	1.74%	1,848
2013	72,687,887	53,673,014	126,360,901	501,158	125,859,743	1.82%	1,918
2014	66,933,679	65,735,164	132,668,843	730,467	131,938,376	1.83%	1,995
2015	68,302,067	70,104,376	138,406,443	602,949	137,803,494	1.76%	2,062
2016	66,278,870	79,612,481	145,891,351	776,482	145,114,869	1.68%	2,132
2017	83,824,365	83,186,023	167,010,388	951,984	166,058,404	1.77%	2,311
2018	91,573,604	80,819,804	172,393,408	1,127,261	171,266,147	1.66%	2,342
2019	88,088,008	97,307,164	185,395,172	1,290,869	184,104,303	1.65%	2,421

* Value of Property figures are listed on the Assessed Value and Estimated Actual Value of Taxable Property Statistics

** Population figures are listed on the Demographic and Economic Statistics

Data to present total debt outstanding as a percentage of personal income is unavailable.

Town of Flower Mound, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019
(unaudited)

Taxing Body	Bonded Debt**	Percentage of Debt Applicable to Town *	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Town of Flower Mound	$ 88,088,008	100.00%	$ 88,088,008
Total Direct Debt	88,088,008		88,088,008
Overlapping Debt:			
Argyle Independent School District	192,862,890	19.49%	37,588,977
Carroll Independent School District	306,677,164	0.02%	61,335
Denton County	590,380,000	10.71%	63,229,698
Denton Independent School District	1,131,969,104	0.21%	2,377,135
Grapevine-Colleyville IDS	435,416,058	0.01%	43,542
Lewisville Independent School District	1,269,936,037	93.95%	1,193,104,907
Northwest Independent School District	934,245,475	0.30%	2,802,736
Tarrant County	266,375,000	0.14%	372,925
Tarrant County Hospital District	17,735,000	0.10%	17,735
Total Overlapping Debt	5,145,596,728		1,299,598,990
Total Direct and Overlapping Bonded Debt	$ 5,233,684,736		$ 1,387,686,998

* Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

** The Town of Flower Mound's total bonded debt is $185,395,172 with $117,091,173 in tax supported debt which is funded by the revenues of the Utility System, the Town's Community Development Corporation and Tax Increment Reinvestment Zone (TIRZ), that the Town has elected to pay from System Net Revenues. The Town may change this policy at any time. This debt service is not included in any coverage calculation and is not subject to the Reserve Fund Requirement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Flower Mound. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Flower Mound, Texas
Legal Debt Margin Information
(unaudited)

The Town of Flower Mound operates under a Home Rule Charter as authorized by Article XI, Section 5 of the Texas Constitution. Accordingly, the Town is not limited by the law in the amount of debt it may issue.

Article IX, Section 9.15 of the Home Rule Charter of the Town of Flower Mound provides that:

> The Town Council shall have the power under the provisions of the State Law to levy, assess and collect an annual tax upon real and personal property within the Town to the maximum provided by the Constitution and General Laws of the State of Texas.

Under the Texas Constitution, the Town is limited to a total tax rate of $2.50 per $100 of assessed valuation for all Town purposes, including payment of principal and interest on general obligation debt, and operations of the General Fund.

The Town of Flower Mound ad valorem tax rate for all purposes at September 30, 2019, was $.4390 per $100 of assessed valuation with taxable property assessed at 100% of market value.

Town of Flower Mound, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

	Water and Wastewater Bonds					
Fiscal Year	Total Revenue Available*	Less: Operating Expenses**	Net Available Revenue	Average Debt Service Principal	Interest	Coverage
2010	28,683,828	23,381,155	5,302,673	949,000	183,284	4.68
2011	36,449,504	24,699,810	11,749,694	957,222	165,163	10.47
2012	35,998,663	26,893,851	9,104,812	963,750	146,269	8.20
2013	40,288,657	25,836,990	14,451,667	967,143	126,656	13.21
2014	39,633,604	26,892,489	12,741,115	965,833	106,332	11.88
2015	41,436,058	28,769,104	12,666,954	956,000	85,342	12.16
2016	41,960,681	32,005,631	9,955,050	- ***	-	N/A
2017	44,497,536	29,347,879	15,149,657	- ***	-	N/A
2018	49,172,947	32,226,278	16,946,669	- ***	-	N/A
2019	45,277,974	31,887,610	13,390,364	- ***	-	N/A

* Total Revenue Available excludes stormwater drainage revenues.

** Operating Expenses include only water and wastewater expenses.

*** The outstanding revenue debt was refunded in March 2016 with General Obligation Refunding Bonds, Series 2016.

Town of Flower Mound, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income *	Per Capita Personal Income (Denton County) **	Median Age *	School Enrollment	Unemployment Rate ***
2010	64,669	119,771	40,524	33.3	17,734	6.30%
2011	64,790	-	42,371	-	17,937	6.40%
2012	65,060	-	44,268	-	17,640	5.20%
2013	65,615	-	45,605	-	17,514	5.30%
2014	66,130	-	46,987	-	17,315	4.00%
2015	66,820	-	50,112	-	19,141	3.10%
2016	68,050	-	51,332	-	16,680	3.40%
2017	71,850	-	53,948	-	16,618	2.80%
2018	73,130	-	55,933	-	16,490	2.70%
2019	76,030	-	-	-	16,510	2.60%

* Personal Income and Median Age are only available in census years. Other years information is not available for the Town.

Source: United States Census Bureau, Applied Geographical Solutions

** Source: Bureau of Economic Analysis

*** Texas Workforce Commission

Town of Flower Mound, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2019			2010		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Communication Test Design, Inc. (CTDI)	1,200	1	2.69%	195	5	0.56%
Thirty-One Gifts	900	2	2.02%	-	-	-
Texas Health Presbyterian Hospital Flower Mound	700	3	1.57%	300	4	0.86%
MI Windows & Doors	600	4	1.35%	-	-	-
Stryker Communications	375	5	0.84%	315	3	0.90%
Best Buy Distribution & Service Center	200	6	0.45%	185	6	0.53%
HD Supply	200	6	0.45%	175	7	0.50%
KeHE (formerly Nature's Best)	200	6	0.45%	-	-	-
FUNimation Entertainment	200	6	0.45%	-	-	0.00%
Ivie & Associates	175	10	0.39%	150	8	0.43%
Lewisville Independent School District	-	-	-	1,647	1	4.71%
Town of Flower Mound	-	-	-	455	2	1.30%
Premier Manufacturing	-	-	-	140	9	0.40%
Kroger	-	-	-	115	10	0.33%
Totals	4,750		10.66%	3,677		10.50%

Source: Town Economic Development Division
Note: Listing includes only private sector employers for 2019.

Town of Flower Mound, Texas
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of September 30									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Function										
Administrative services	-	-	-	26.00	29.00	29.00	29.00	30.00	30.00	31.00
Communications	7.50	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00
Community services	118.00	120.25	106.50	106.50	109.50	113.50	113.75	115.50	117.50	120.25
Development services	20.00	20.00	20.00	36.00	34.50	30.50	31.50	33.50	33.25	23.00
Environmental services	-	-	-	14.75	14.75	14.75	16.00	17.50	17.50	16.50
Financial services	65.20	66.50	67.00	39.00	38.00	37.50	37.50	37.50	37.50	37.50
Fire and emergency services	98.50	98.50	99.50	99.50	99.50	101.50	114.50	114.50	115.00	116.00
Infrastructure services	89.00	89.00	105.75	-	-	-	-	-	-	-
Legislative services	2.50	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Police services	136.50	137.50	139.50	139.50	142.50	145.00	148.50	150.50	140.50	151.00
Public works	-	-	-	75.00	79.00	88.50	96.50	98.00	98.75	113.50
Town manager's office	3.00	3.00	3.00	5.00	5.00	5.50	5.50	5.50	6.50	6.50
Total	540.20	544.75	551.25	551.25	561.75	576.75	602.75	613.50	607.50	626.25

Source: Town Financial Services Department

Town of Flower Mound, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Function				
Development services				
New residential building permits issued	91	102	119	240
Value	$ 36,166,380	$ 54,746,900	$ 50,771,491	$ 110,856,901
New commercial building permits issued	51	18	44	71
Value	$ 40,243,189	$ 8,403,254	$ 36,412,981	$ 186,476,151
Financial services				
Average daily consumption (gallons)	10,993,663	13,950,941	13,040,465	12,625,959
Water customers	21,305	21,434	21,572	22,043
Sewer customers	18,639	18,737	18,843	19,211

Source: Town Development Services Department and Financial Services Department
* Values reflect amounts as of June 30, 2019. Permit values are no longer being tracked.

Fiscal Year						
2014	2015	2016	2017	2018	2019*
322	500	350	448	592	500
$ 142,083,930	$ 219,691,459	$ 167,205,907	$ 205,903,096	$ 257,252,261	$ 156,432,776
75	73	74	62	35	46
$ 143,469,134	$ 145,954,106	$ 187,454,584	$ 118,872,009	$ 68,624,239	$ 74,466,756
11,644,052	11,261,386	11,839,381	12,168,768	13,527,951	10,318,256
22,372	22,917	23,326	23,845	24,443	24,977
19,507	20,012	20,385	20,845	21,375	21,883

Town of Flower Mound, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Function										
Community services										
Parks acreage	697	926	926	926	940	940	940	888*	888	983**
Parks	51	52	54	55	54	54	54	55	55	56
Financial services										
Water mains (miles)	380	380	380	396	420	429	437	448	454	462
Fire and Emergency services										
Fire stations	5	5	5	5	5	5	5	6	6	6
Fire hydrants	3,183	3,191	3,214	3,387	3,620	3,708	3,819	3,946	4,061	4,184
Infrastructure services										
Improved streets (miles)	359	369	375	377	388	401	408	415	415	418
Unimproved streets (miles)	3	3	4	4	7	7	8	8	8	9
Storm sewers (miles)	137	140	140	137	156	160	160	164	164	164

* Parks acreage includes long-term leased land from the Corp of Engineer for Twin Coves park.
Twin Coves Park acreage was updated to reflect most recent data from GIS

** Parks acreage reflects the most updated information from Parks and GIS and includes all named parks, greenbelts, open space, COE leases, and LISD property that the Town uses and maintains.

Source: Town Departments

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor
and Members of Town Council
Town of Flower Mound, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Flower Mound, Texas' basic financial statements, and have issued our report thereon dated February 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Flower Mound, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Flower Mound, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Flower Mound, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Flower Mound, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 28, 2020